

COMPANY REGISTRATION NUMBER 01157099

SOUTH DEVON RAILWAY TRUST
FINANCIAL STATEMENTS
31 DECEMBER 2020

Charity Number 800299

PEPLOWS LIMITED
Chartered Accountants & Statutory Auditor
Moorgate House
King Street
Newton Abbot
Devon
TQ12 2LG

SOUTH DEVON RAILWAY TRUST

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

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Directors	J K Morton A R Cash R J Elliott E Elsworth-Wilson G Hooper J Keohane MVO BEM P C Treglown MCIPR C A Williams Eur Ing D Woodward BEng MSc CEng FICE FStructE MCIHT	Chairman and Operating Mechanical Engineering Fund Raising Director Director Volunteer Liaison Marketing Director Civil Engineering and Subsidiary Co Chairman
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Company Secretary

V P Coon

Railway Manager

C J Williams (until 13th March 2020 when the post transferred to SDRL)

Company Number

1157099

Charity Registration Number

800299

Registered Office

The Station
Buckfastleigh
Devon
TQ11 0DZ

Auditors

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Newton Abbot
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TQ12 2LG

Business Address

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Buckfastleigh
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TQ11 0DZ

Bankers

Lloyds Bank plc
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Okehampton
Devon
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Solicitors

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Ashford House
Grenadier Road
Exeter Business Park
Exeter
Devon
EX1 3LH

Tozers LLP
Broadwalk House
Southernhay West
Exeter
EX1 1UA

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The Trustee/Directors present their report and the Financial Statements for the year ended 31st December 2020.

Introduction

The Trustees are obliged by charity and company law to report on various matters; the purpose of this and the strategic review is to provide not only the relevant information but to enhance it. These reports are lengthy as they also serve to give the necessary information required by the Charity Commission.

Following last year's announcement and subsequent instigation of a significant reorganisation programme for the South Devon Railway (SDR) as an enterprise those changes are now complete.

Following the conversion of the South Devon Railway Trust's (SDRT) subsidiary business South Devon Railway PLC into a charitable community benefit society (CCBS) and renamed South Devon Railway Limited (SDRL) SDRT handed over full day to day operational control to SDRL on 13th March 2020 however for accounting purposes the effective date was the 1st January 2020.

It should be noted that these (SDRT) accounts have reverted to a single entity format as SDRT is not part of the consolidation.

SDRT assumes its duties now as landlord for the property and assets leased to SDRL and retains the function of fund raiser for the enterprise. Management and oversight of the retail and catering business formerly undertaken by SDR Plc is now operated by the newly formed wholly owned (by SDRL) and controlled subsidiary South Devon Railway Retail and Catering Limited. South Devon Railway Engineering Limited (SDRE) will remain as the SDR's wholly owned (by SDRL) and controlled subsidiary mechanical engineering business acting as the SDR's commercial trading arm.

Both subsidiary businesses are responsible for the day-to-day management of their respective commercial trading businesses whilst reporting to the SDRL board directly. Both boards are comprised of non-executives and members of the SDRT and/or SDRL management team. Both subsidiary boards perform the same roles as any company board overseeing the running of a company, monitoring its budgets, profitability, and commercial direction with any taxable profits gift aided to the parent organisation. Both subsidiary companies satisfy the Charity Commission's guidance on charities undertaking trading activities.

SDRL accepts and undertakes independent responsibility for the safe operation of the railway.

Principal Objectives, Aims and Activities

By means of SDRL's charitable objects being complementary despite the reorganisation programme the object for which the Trust is established remains unaltered despite operational control now being delivered by SDRL.

To advance public education in the history and development of railway transportation systems in particular by the preservation, operation, and exhibiting of railway vehicles, systems and equipment and to foster and support heritage railway preservation. In pursuit of this object, the principal activity of the Trust is operating a heritage railway line and museum that provides passengers with the opportunity to experience and learn about rail travel as it was prior to 1966. In doing so the Trust, wherever possible, follows the custom and practice of the Great Western Railway or that of British Railways (Western Region).

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There have been no changes in the above policies since the last report. Any surplus generated by its activities is applied to its charitable purposes.

Our aims continued through the year to be focused on the long-term future of the railway and planning for its future and will be delivered by SDRL with the financial support of the SDRT. In particular:

- Increase visitor numbers and provide them with the chance to experience and learn about rail travel as it would have been prior to 1966.
- Operate safely in accordance with applicable legislation the Buckfastleigh to Totnes branch line following the custom and practice of the Great Western Railway or British Railways (Western Region) as far as possible.
- Conserve and display rolling stock and artifacts related to rail travel and local history.
- Provide a museum of railway transport and the local industry it served with full accessibility and interpretation.
- Provide students with educational facilities to learn about transport and local history.
- Acquire other exhibits representing railway and local history should these become available and either fill gaps in the collection or be worthy of preservation due to their historic importance.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives in planning future activities.

Education Policies: Public Benefit

The SDR has several strategies to advance public learning and benefit. These are both formal and informal and delivered in conjunction with SDRL. Apart from the visitor experience, which is supported by presentation, interpretation and guidebooks, the SDR offers:

- Free public access to its Museum and much of its collection on most days.
- Opportunities to learn about locomotive management and driving.
- Vocational training in railway skills for those wishing to learn about running a railway.
- Guided tours and talks for school, professional and selected other parties.
- Practical involvement in heritage engineering skills.

The locomotives and rolling stock restored, maintained and used are from the period referred to in our objective and we have a policy of reproducing accurate and appropriate liveries. Staff are encouraged to wear appropriate uniforms that reflect the GWR and BR(W), buildings are painted in appropriate colours and are decorated with period advertisements and other artefacts. Historic railway buildings, equipment and structures from around the former GWR network have been rescued, rebuilt and returned to their former use. These include station buildings, signal boxes, water towers, station canopies, lamp huts, signalling & telegraph equipment and more. This is explained to visitors in the SDR's publicity material.

Our methods of working recreate the appropriate period, with the exception of safety critical elements of the operation in which we are required to conform to all modern safety criteria and standards.

The SDR's engineering division (SDRE) has collected a wide range of engineering equipment from the former railway companies within Great Britain and these are used for the restoration, renovation, rebuilding and maintenance of our own and other railways' historic rolling stock as referred to above. This activity also keeps alive a host of traditional railway heavy and light engineering skills. By offering the SDR's specialist engineering services to other locomotive and railway operators, these skills are

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shared with peers around the country, while providing opportunities for the expansion and further preservation of these historic skills.

The SDR's museum has collected a valuable collection of historic railway relics and artefacts that tell the story of the former Great Western Railway, the former Ashburton branch (which is today's South Devon Railway) and railways in the West Country in general.

As well as providing a fascinating and educational attraction for visitors, the museum is the focal point of the SDR's activities for schools. The SDR provides a range of railway-themed educational activities for school pupils of all ages. This ranges from topics such as the railways in wartime and the evacuation of children to destinations such as the West Country, to the conversion of the old Great Western Railway from Brunel's broad gauge to Stephenson's standard (or narrow) gauge over a single weekend in 1892.

The SDR has appointed a trustee with specific responsibility for heritage to ensure that the educational heritage of the railway forms a central core of all activities and operations. He is a highly respected expert in all aspects of railway heritage and particularly that of the GWR.

In the wider context the SDR contributes both directly and through its visitors to the economy of the Southwest region, parts of which community have a high score on the national deprivation indices.

Governance

The SDR is a complex organisation with a variety of mechanisms that operate to present a working railway that is largely staffed by volunteers.

The SDRT is a company with a share capital, but with liability limited by guarantee, subject to the provisions of Companies Act 2006 and is governed by its Memorandum and Articles of Association. As a registered charity, the SDRT is managed by a Board of unpaid directors acting as Trustees and is subject to the requirements of Charities Act 2011. The Board management structure, which is designed to achieve the SDRT's charitable objects, described in more detail later in this report and kept under review.

Governance Review

The Board now consists of nine Trustees, presently four of whom are also elected members of the South Devon Railway Association's management committee; one of those is also the Chairman of the Dumbleton Hall Preservation Society; one of them a director of the Devon Diesel Society.

SDRT and the three active companies in the South Devon Railway Group usually hold their Board meetings on separate days, except for those which involve the external auditor, when they are held consecutively, to minimise the auditor's time.

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Trustees and their interests

The Trustees who served during the year and their interests in the company are as stated below:

	Ordinary Shares	
	2020	2019
J G Addy (Resigned 23 September 2020)	-	-
A R Cash	1	1
R J Elliott	182*	182*
E Elsworth-Wilson (Resigned 1 st September 2021)	-	-
G Hooper	-	-
J Keohane MVO BEM	375	375
J K Morton (Chairman)	-	-
P C Treglown MCIPR MIOD	-	-
C A Williams	-	-
Eur Ing D Woodward BEng MSc CEng FICE FStructE MCIHT	-	-

*Held jointly with Mrs J M Elliott

Mr R J Elliott also holds 50 Founders' Shares (2019 – 50). In the event of a poll vote a Founders' Share entitles the holder to 10 votes per share.

The above were all Trustees at 27th September 2021, the date upon which the balance sheet was approved and signed - J K Morton, having been Chairman of the board for the whole of 2020. It should be noted E Elsworth-Wilson has subsequently resigned from the board on 1st September 2021 and prior to accepting a paid appointment as the SDR's General Manager.

The Trust is a registered charity and the Memorandum and Articles of Association do not permit the Trustees to enjoy any remuneration from their office, but light refreshments are supplied during meetings, at the Trust's expense. The Trust does not normally reimburse any Trustees with travelling expenses, but if circumstances require an exceptional amount of travel, then a Trustee may be reimbursed with a return rail fare or petrol money.

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The Board

The SDRT Board is responsible for the strategic direction of the Trust. It determines and reviews policy. The Trustees are responsible for matters such as Health & Safety and safeguarding the Trust's assets.

The SDRT Board considers both Health & Safety and Finance as standing agenda items at all SDRT Board meetings. In addition, the SDRT board:

- receives the minutes of its committees
- approves the accounts and the content of the reports therein (see subsequent paragraphs)
- receives the annual management letter, which is presented by the senior statutory auditor, when board members have the opportunity to discuss any matters raised, face to face
- commissions advice and guidance
- receives reports from its trustee portfolio holders and department heads.

Trustees

Members of staff or volunteer department heads may also attend meetings of the Board at the Trustees' request to provide specific advice as required. Various departments usually submit reports for each scheduled meeting, which are included within the Railway Manager's report. The Board generally meets on a bi-monthly basis.

Recruitment and training of Trustees

Although many decisions are consensual, the Trust Board operates on the principle of cabinet collective responsibility. Thus, once decisions are made, all Trustees are expected to support those decisions publicly. Expertise and an understanding of governance, together with a willingness and ability to get actively involved in tasks and projects are considered fundamental. On that basis, there are currently no non-executive director/trustees. Any potential Trustee is expected to bring some added value to the Board.

The pattern of recruitment in recent times has been to invite potential Trustees to full Board meetings as non-voting participants. This enables both the existing Trustees and the candidate to form an opinion of each other and their ability to work in harmony. At an appropriate point, an offer of co-option may be made thereby bringing the new Trustee onto the Board until the next AGM, when formal election, in accordance with the Memorandum and Articles of Association, takes place. Alternatively, the Health & Safety Committee or the informal management meetings may be used as a proving ground. The South Devon Railway Association has a long-established right to nominate two of their number as Trustees, however their recruitment, selection for co-option and subsequent election are otherwise no different from any other Trustee. Although it has never happened, nomination by the SDRA is not a guarantee to eventual co-option and election.

The Trustees are constantly seeking to identify suitable candidates. Training is appropriate to the experience and knowledge of the new Trustee; however, the recruitment process may act as an induction period. New Trustees receive the last available report and accounts, together with the relevant Charity Commission publications relating to the duties of Trustees and Companies House publications relating to the duties of directors.

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Committees

Under the new structure it is anticipated SDRT will form two committees to assist in the efficient conduct of business. Each has a functional role and appropriate delegated powers.

1. Fundraising Committee.
2. Property and Asset Management Committee.

Charitable and Political Contributions

There have been no Political Contributions (2019: £Nil) received in the year.

The Company received no contribution in the year (2019: £155,573) from its former subsidiary South Devon Railway Engineering Limited, The Company also received no contribution in the year (2019: £ Nil) from its former subsidiary South Devon Railway plc.

Investment powers

The Trust may invest monies not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject to statutory requirements, as defined in the Memorandum & Articles of Association. No opportunities to exercise these powers have occurred for several years.

Taxation Status

In the opinion of the Directors, the Trust is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Organisation of the Trust

Volunteers provide administrative support relating to fundraising, gift aid, sales management, marketing and financial administration & control.

Review of the development and financial position of the Trust

A review of the development, activities and achievements of the Trust together with its financial position is set out in the Strategic Review, which has the approval of the Trustees.

Financial control

The Board as Trustees are all responsible for the affairs of the Trust and this includes the preparation of the financial statements and the reports thereon of which this report is a part. The detail of the preparation is delegated to the Finance Director and the Company Secretary, but the Board as a whole approves all statements.

The final accounts are the audited record of the financial activity for the year.

A framework of procedures designed to provide proper financial controls is in place to ensure effective stewardship and is reviewed at least annually. The accounting records are maintained by the accounts team under the direction of the Finance Director and are subject to annual external audit. During the year actual income and expenditure is monitored against the budget by the Finance Director. If necessary, day-to-day priorities are adjusted.

The Finance Director reports to the Board, generally on an exception basis. Otherwise, as funds are generated by operations, they are released to designated projects and budgets.

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Relationship with other charitable and non-charitable organisations

The SDRT maintains membership of the Heritage Railway Association, the trade body for the heritage railway industry, and is a leading contributor in their setting of industry standards and which may receive approval by the Office of Rail and Road, the safety regulator for Heritage Railways and their workshops.

Risk Management

SDRT recognises the need to identify risk to its business (financial, non-financial and operational) and control measures are implemented where necessary. Formal risk assessments are reviewed and re-assessed annually on a cyclical basis.

Commercial risks are minimised by ensuring there are adequate procedures in place and business interruption cover is maintained against the possibility of an incident affecting the Trust's ability to function. Appropriate insurance policies are maintained to provide cover in a number of other areas, subject to underwriters' limitations.

Commercial risk is managed by separating asset ownership and commercial activities into independent legal entities. South Devon Railway Limited (SDRL), South Devon Railway Retail and Catering Limited (SDRR&C) and South Devon Railway Engineering Limited (SDRE). As separate legal entities, they insulate the Trust against the risks of financial failure arising from their areas of activity, which is in accordance with the recommendations of the Charity Commission. To this end, the Trust has formally leased the land and buildings occupied by the shop, kiosk and café at Buckfastleigh, together with the land occupied by Buckfast Butterflies Ltd to SDRL.

Trustees' responsibilities

The trustees (who are also directors of South Devon Railway Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic 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 trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they 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 the income and expenditure, of the charitable company for that period. In preparing these 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 2019 (FRS 102).
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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Reserves policy

The majority of the Trust reserves are represented by heritage assets, premises and the railway. They are not readily realisable. The specific purpose funds also form part of the reserves. The Trustees are well aware of the need to build cash reserves as the opportunities arise. The seasonal nature of the Trust's visitors means that cash reserves are usually committed to meeting requirements "out of season". It should be noted the third grant received from the National Heritage Lottery Fund's Culture Recovery Fund (second stage) included an amount of £257,800 specifically to top up our reserves.

Legacies

The Trustees have appointed the Company Secretary as "Legacies Officer" to promote bequests to the Trust and have arranged with a local firm of solicitors to operate a Wills for Charity scheme. As the South Devon Railway Association is not a charitable body, monies left to it may not be as tax efficient to the estate as could be if the money had been bequeathed to the Trust.

Financial position of the Charity

This is described in more detail in the Strategic Review below. The Trustees believe that the levels of debt incurred in securing the railway for posterity and improving the infrastructure are at acceptable levels. A programme for the renewal of the loan stock is in place. It remains the Trust policy to reduce debt and to build up cash reserves to support winter cash requirements without recourse to borrowing if possible. The Trustees regard the overall position of the Trust as being as satisfactory as may be, in light of the impact of the Covid pandemic in 2020.

Fund-raising standards

The Trustees aim to uphold the highest standards in its fundraising exploits. Funding from the general public is raised by use of an "envelope scheme". Donations are made in envelopes available on the trains, on a purely voluntary basis. Trust staff and volunteers do not have contact with the donors at this point, which ensures that passengers do not feel any pressure or obligation to donate.

Where the SDR enterprise employs a third part ticketing agent to sell any products the option is always present to allow the customer to decline any additional donation and/or participating in any gift aid tax recovery option. There were no recorded complaints received during the year on our fund raising activities.

Auditors

In accordance with S144 Charities Act 2011, a resolution proposing that Michael Young of Peplows Limited Chartered Accountants be re-appointed as auditor of the company will be put to the Annual General Meeting.

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Strategic Review

Financial Performance 2020

Following only two days of normal operations government legislation in accordance with national plans imposed to address the rapidly developing COVID-19 pandemic required the complete shutdown of all visitor attraction elements of the SDR's business leaving only the enterprises commercial engineering arm (SDRE) operational.

Clearly the past year has, unsurprisingly, been very difficult and certainly not the year of trading anyone anticipated. It has been extremely challenging, with the priority to ensure the survival of the business despite being unable to operate the normal business, nor, for much of the year, allow SDRL staff and volunteers to work on the railway, with the exception of the excellent team in the engineering workshop.

As government plans unfolded the immediate suspension of all paid staff was replaced in April 2020 by the furlough scheme allowing jobs to be retained. Although some restrictions were eased during the summer months the SDRL board took the early decision not to recommence train services believing the uncertain market coupled with the limiting nature of social distancing placed upon our ability to operate at profitable capacities.

Due to continued uncertainty at the time and the government funded furlough job retention scheme did not fully reimburse our employment costs the very regrettable but unavoidable decision to drastically reduce our staff costs had to be taken such that many friends and colleagues amongst the paid staff had to be made redundant. With the initial wave of operational staff leaving in the late summer upon completion of their respective consultation processes the programme was completed on the 8th January 2021 with the departure of the majority of the catering staff the SDR was left with a total staff of twenty three.

Armed with SDRT's now very specific remit to raise funds the board instigated the 'SOS Appeal' which, thanks to the generosity of our supporters, Association members, railway-based groups, and members of the public, raised £308,000.

Further challenges were undertaken. All publicised grants offered by local and national government in addition to a grant administered by National Heritage Lottery Fund (NHLF) from the Department for Digital, Culture, Media and Sport's Culture Recovery Fund for Heritage were, applied for and secured which ultimately attracted in a further £467,100.

In October the board took full advantage of the government backed Coronavirus Business Interruption Loan Scheme (CBILS) and securing a loan for £250,000. Although only a loan with a twelve-month capital repayment holiday and advantageous interest terms the board considered it prudent to take advantage whilst the offer remained open.

With train services being inoperable but with restrictions suitably eased last summer, the site at Buckfastleigh was opened to the public for donations. Lasting three months this experiment was highly successful, bringing in donations of £95,000 and was staffed entirely by a team of dedicated volunteers, with support from the workshop staff.

Throughout the year, the workshop maintained their level of orders from locomotive owners and train operating company customers and continued to trade profitably. This provided the business with very welcome income throughout the lockdown.

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The very difficult decision to accept an offer for GWR 4-6-0 *Dumbleton Hall* was taken. The locomotive was originally purchased to work on the Paignton line and was never ideally suited to our railway. While it was sad to see her leave, albeit for a more active future, the income from her sale is allowing us to press forward with much needed capital projects. This is key to the future of our railway.

Locomotives and Rolling Stock

With income vastly depleted and volunteer access very restricted the locomotive and infrastructure programme was placed on hold until circumstances and income improved. As soon as funds and volunteer manpower allow the overhaul programme will be restarted.

Loan Stock

Loan stocks are a vital component of the financing structure of the SDR. Loan Stock investments provide interest at slightly higher rates than would be obtainable in the open market for these investors and this, in part, recognises the unsecured nature of this type of investment.

Loan notes are for fixed periods of time and are renewable, at the choice of the investor, when they mature and many of our investors do so on a regular basis.

New loan stock offerings are usually linked to major capital projects and, most notably, the last one being two years ago which supported the purchase of the field adjacent to the station at Buckfastleigh.

No new loan stock was issued during 2020.

Specific Purpose Funds

Contributions continue to accrue for a range of specific purpose funds. The lease and transfer agreements between SDRT and SDRL ensures SDRL continues to maintain the policies previously agreed by SDRT in respect of all funding raised for specific purposes.

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Outlook

2021 will be clearly very significantly affected by the continuing effects of the COVID-19 pandemic. Being closed to passenger operations for nine months presents significant challenges to the depleted staff and volunteer teams in getting systems, infrastructure, volunteers, and staff back into operational readiness.

Decisions taken in March 2021 determined the SDR would reinstate train services on 17th May 2021. Social distancing measures and yet another growth in infection rates not only limit the occupancy of our services but further drain the confidence of the SDR's fare paying customers. Accordingly, the SDR's scheduled services were limited to a single train service, four times per day with all tickets sold for specific booked seats ensuring only family groups were seated in close proximity to each other. Galas were similarly re-imagined with the first – A Day Out with Thomas (DOWT) limited to around 50% of the SDR's usual capacity.

Following much effort from the fund-raising team, the further grant funding secured from the National Heritage Lottery Fund's Culture Recovery Fund, donations from loyal supporters although the SDR's general cash position appears strong the trustees must remain cautious and mindful the businesses indebtedness has been substantially increased by way of two interest free private loans and the CBILS funding taken out during the year and that ultimately these loans must be repaid.



Vernon Coon
Company Secretary

27/9/20

Registered office:
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Devon TQ11 0DZ

SOUTH DEVON RAILWAY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH DEVON RAILWAY TRUST *(continued)*

YEAR ENDED 31 DECEMBER 2020

Opinion

We have audited the financial statements of South Devon Railway Trust (the 'charitable company') for the year ended 31 December 2020 which comprise SOFA, Income and Expenditure Account, Balance Sheet, Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020, and of its 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 requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' annual report and strategic review, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and strategic review. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH DEVON RAILWAY TRUST (*continued*)

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is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement [set out on page 10 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

SOUTH DEVON RAILWAY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH DEVON RAILWAY TRUST (*continued*)

YEAR ENDED 31 DECEMBER 2020

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the relevant sectors;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including charity law, gift aid regulations, Transport and Works Order and Health & Safety Regulations;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- reviewing the operation, via testing and/or discussing with management, of internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries (including movements in accruals and prepayments) to identify unusual transactions;
- investigated the rationale behind significant or unusual transactions; and
- reviewing the records past the accounting date for any indication of transactions that should be reflected in these accounts.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

SOUTH DEVON RAILWAY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH DEVON RAILWAY TRUST (*continued*)

YEAR ENDED 31 DECEMBER 2020

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



MICHAEL YOUNG BSC FCA (Senior
Statutory Auditor)
For and on behalf of
PEPLOWS LIMITED
Chartered Accountants
& Statutory Auditor

Moorgate House
King Street
Newton Abbot
Devon
TQ12 2LG

27 September 2021

SOUTH DEVON RAILWAY TRUST

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2020

		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2020	Total Funds 2019
	Note	£	£	£	£	£
Income and endowments from:						
Donations and legacies	2	846,867	23,406	-	870,273	339,102
Charitable activities	3	80,000	-	-	80,000	1,255,151
Investments	4	-	-	-	-	82
		926,867	23,406	-	950,273	1,594,335
Total income and endowments						
Expenditure on:						
Charitable activities	5	847,899	58,834	-	906,733	1,603,335
Other expenditure	6	2,500	-	-	2,500	8,495
		850,399	58,834	-	909,233	1,611,830
Total expenditure						
		76,468	(35,428)	-	41,040	(17,495)
Net income						
Other recognised (losses):						
Other (losses)		-	-	-	-	-
		76,468	(35,428)	-	41,040	(17,495)
Net movement in funds						
Reconciliation of funds:						
Total funds brought forward	25	2,418,687	593,027	119,149	3,130,863	3,148,358
		2,495,155	557,599	119,149	3,171,903	3,130,863
Total funds carried forward						

All income and expenditure derive from continuing activities.

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

The notes on pages 23 to 39 form part of these financial statements.

SOUTH DEVON RAILWAY TRUST

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 DECEMBER 2020

		2020		2019	
	Note	£	£	£	£
INCOME			950,273		1,594,253
TOTAL INCOME			<u>950,273</u>		<u>1,594,253</u>
TOTAL EXPENDITURE			<u>(876,458)</u>		<u>(1,585,374)</u>
OPERATING SURPLUS	9		73,815		8,879
OTHER INCOME					
Interest receivable and similar income	4	-		82	
			<u>-</u>		<u>82</u>
INTEREST PAYABLE					
Interest payable: Loans		-		(2,258)	
Interest payable: Loan stock		(22,670)		(10,602)	
Interest payable: Bank loans		(7,980)		(12,801)	
HP interest		(2,125)		(795)	
			<u>(32,775)</u>		<u>(26,456)</u>
RETAINED SURPLUS FOR THE FINANCIAL YEAR			<u>41,040</u>		<u>(17,495)</u>

All of the above amounts relate to continuing activities.

The notes on pages 23 to 39 form part of these financial statements.

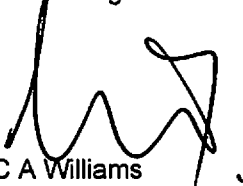
SOUTH DEVON RAILWAY TRUST

CHARITY BALANCE SHEET

31 DECEMBER 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Intangible assets	14	24,834	27,593
Tangible assets	15	3,731,175	3,919,408
Investments	16	270,516	280,516
		4,026,525	4,227,517
CURRENT ASSETS			
Stocks	17	-	134,962
Debtors	18	488,255	185,511
Cash at bank		474,890	4,188
		963,145	324,661
CREDITORS: Amounts falling due within one year	19	(857,197)	(744,078)
NET CURRENT (LIABILITIES)/ASSETS		105,948	(419,417)
TOTAL ASSETS LESS CURRENT LIABILITIES		4,132,473	3,808,100
CREDITORS: Amounts falling due after more than one year	20	(960,570)	(677,237)
NET ASSETS		3,171,903	3,130,863
CHARITY FUNDS			
Endowment funds	22		
Share capital		118,674	118,674
Capital redemption reserve		475	475
Restricted funds	23	557,599	593,027
Unrestricted funds	24	2,336,496	2,260,028
Revaluation reserve		158,659	158,659
TOTAL CHARITY FUNDS		3,171,903	3,130,863

These financial statements were approved by the members of the board on the 27th September 2021 and are signed on their behalf by:



C A Williams
Director

Company Registration Number: 01157099

The notes on pages 23 to 39 form part of these financial statements.

SOUTH DEVON RAILWAY TRUST

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2020

	Note	2020	2019
Cash flow from operating activities	26	284,103	188,652
Net cash flow from operating activities		<u>284,103</u>	<u>188,652</u>
Cash flow from investing activities			
Payments to acquire investments		-	(18,284)
Receipts from sales of investments		10,000	-
Payments to acquire tangible fixed assets		(214,750)	(258,871)
Receipts from sales of tangible fixed assets		300,000	-
Interest received		-	82
Net cash flow from investing activities		<u>95,250</u>	<u>(277,073)</u>
Cash flow from financing activities			
Receipts from issue of new long term loans		350,000	193,500
Repayment of long term loans		(220,480)	(74,107)
Repayment of finance lease liabilities		(5,396)	(3,635)
Interest paid		(32,775)	(26,456)
Net cash flow from financing activities		<u>91,349</u>	<u>89,302</u>
Net increase / (decrease) in cash and cash equivalents		470,702	881
Cash and cash equivalents at 1 January 2020		4,188	3,307
Cash and cash equivalents at 31 December 2020		<u>474,890</u>	<u>4,188</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		474,890	4,188
Cash and cash equivalents at 31 December 2020		<u>474,890</u>	<u>4,188</u>

The notes on pages 23 to 39 form part of these financial statements.

SOUTH DEVON RAILWAY TRUST

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

General information and basis of preparation

South Devon Railway Trust is a company with share capital, but with liability limited by guarantee, subject to the provisions of Companies Act 2006 and is governed, in the United Kingdom, by its memorandum and Articles of Association. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities are to advance public education in the history and development of railway transportation systems in particular by the preservation, operation, and exhibiting of railway vehicles, systems and equipment and to foster and support heritage railway preservation. In pursuit of this object, the principal activity of the Trust is operating a heritage railway line and museum that provides passengers with the opportunity to experience and learn about rail travel as it was prior to 1966. In doing so the Trust, wherever possible, follows the custom and practice of the Great Western Railway or that of British Railways (Western Region).

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling and rounded to the nearest £.

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.

Funds structure

Unrestricted funds are available to use to further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which have been set aside by the trustees to fund particular future activities of the charity. Revaluation reserve is part of unrestricted funds created from unrealised gains in fixed assets. Restricted funds are donated for particular areas of the charity work or specific projects undertaken.

Transfers between funds are made in the following circumstances:

Where expenditure in accordance with a restricted fund exceeds the balance of the restricted fund, the deficit is financed from general unrestricted funds.

Where the Trustees have designated funds for a specific purpose funds are transferred to / from general unrestricted funds.

The element of the depreciation charge on revalued fixed assets that exceeds the historic cost charge is released from the revaluation reserve to the general unrestricted fund.

SOUTH DEVON RAILWAY TRUST

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES *(continued)*

Funds structure *(continued)*

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, principally issued share capital. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing or payment will have been received. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met, then these amounts are deferred.

SOUTH DEVON RAILWAY TRUST

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES *(continued)*

Incoming resources *(Continued)*

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred. Where applicable income is recognised net of VAT.

In respect of trading contracts for specific customers, income represents the value of work done in the year, including estimates of amounts not invoiced based upon the stage of completion of the contract.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest

income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Endowment funds are in respect of share capital are permanent and non-distributable.

Donations / legacies of shares in South Devon Railway Trust: These are recognised in the Statement of Financial Activities at their current value at time of donation. Due to the charitable nature of the company these shares are not entitled to an income and as such the market value is considered to be at the issue price of £1 each. The Trust is not permitted to hold its own shares so any shares received are immediately cancelled.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds include the costs of running and operating rail services and related support costs;
- Expenditure on charitable activities include the costs of commercial trading and support costs relating to the café, shop and engineering sales; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Governance costs represent the costs of financing and the cost of complying with constitutional and statutory requirements.

SOUTH DEVON RAILWAY TRUST
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

Pension costs

Pension costs previously paid by SDRT have been transferred to SDRL.

Investments

Investments in subsidiary undertakings are included at historical cost

Due to the insignificant nature of other investments these have been included at cost.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life. The intangible asset is considered to have an operating life of 20 years from acquisition of the statutory power to own and operate the Railway, which became effective on 30 December 2009

Fixed assets

All fixed assets are initially recorded at cost, although assets held in 2000 are included at their valuation fixed under the transitional provisions of FRS15 and FRS102.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	- Land nil
	- Buildings 30 or 50 years straight line
Track and infrastructure	- Between 10 and 50 years straight line
Workshop and other equipment	- 25% reducing balance
Locomotives	- 10 years straight line
Rolling stock	- 10 years straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

SOUTH DEVON RAILWAY TRUST

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2020

2. VOLUNTARY INCOME

	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£
Gifts	40,967	23,406	64,373	180,183
Gift aid received from subsidiaries	127,509	-	127,509	155,573
Legacies	221,591	-	221,591	3,346
Grants	456,800	-	456,800	-
	<u>846,867</u>	<u>23,406</u>	<u>870,273</u>	<u>339,102</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£
Sales - Traffic	-	-	988,025
Sales - on train catering and shop sales	-	-	102,869
Sales - Loco hire	-	-	64,650
Management charges receivable	-	-	83,786
Rent receivable	80,000	80,000	-
Other income	-	-	15,821
	<u>80,000</u>	<u>80,000</u>	<u>1,255,151</u>

4. INVESTMENT INCOME

	Unrestricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£
Bank interest receivable	-	-	82
	<u>-</u>	<u>-</u>	<u>82</u>

5. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£
Railway	127,907	13,834	141,741	1,380,534
Support costs - Railway	2,759	-	2,759	222,801
Donations to South Devon Railway Limited	717,233	45,000	762,233	-
	<u>847,899</u>	<u>58,834</u>	<u>906,733</u>	<u>1,603,335</u>

SOUTH DEVON RAILWAY TRUST

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2020

6. ANALYSIS OF OTHER EXPENDITURE

	Unrestricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£
Governance costs	2,500	2,500	8,495
	<u>2,500</u>	<u>2,500</u>	<u>8,495</u>

7. ALLOCATION OF SUPPORT COSTS

	Raising funds £	Railway £	Total 2020 £	Total 2019 £
Finance	-	-	-	17,665
Human resources	-	-	-	10,875
Amortisation	-	2,759	2,759	2,759
Office costs / Overheads	-	-	-	186,374
Other	-	-	-	5,128
Total	<u>-</u>	<u>2,759</u>	<u>2,759</u>	<u>222,801</u>

The Charities activities are split into different entities and therefore costs are recorded separately and so do not require apportionment. The Charity does not expend money in an attempt to raise funds so it is not appropriate to allocate costs to raising funds.

8. GOVERNANCE COSTS

	Note	2020 £	2019 £
Auditor's remuneration	10	2,500	8,495
		<u>2,500</u>	<u>8,495</u>

9. NET INCOME/(EXPENDITURE) FOR THE YEAR ENDED 31 DECEMBER 2020

Net income is stated after charging / (crediting):

	2020 £	2019 £
Depreciation of tangible fixed assets	201,740	180,127
Loss / (Gain) on sale of tangible fixed assets	(98,757)	-
Amortisation of other intangible assets (included within note 14)	2,759	2,759
Operating lease rentals	-	25,996
	<u>-</u>	<u>25,996</u>

SOUTH DEVON RAILWAY TRUST

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2020

10. AUDITOR'S REMUNERATION

The auditor's remuneration amounts to an audit fee of £2,500 (2019 - £8,789).

11. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2020	2019
	£	£
Wages and salaries	-	567,566
Social security costs	-	66,386
Defined contribution pension costs	-	20,614
	<u>-</u>	<u>654,566</u>

Particulars of employees:

The average number of employees and full time equivalent (FTE), of the group, during the year was as follows:

	2020		2019	
	No.	FTE	No.	FTE
Administration / management	8	8	17	17
Infrastructure / maintenance	-	-	12	12
Workshop	-	-	15	15
Operations	-	-	4	4
	<u>8</u>	<u>8</u>	<u>48</u>	<u>48</u>

No employees received total employee benefits (excluding employers pension costs) of more than £60,000 during the year (2019 – Nil).

The charity receives the benefit of volunteer services, these are not quantified in the accounts as this cannot be reliably quantified.

All of the board of Trustees are volunteers and are included in the staff numbers above.

12. TRUSTEES' REMUNERATION

Other than travel expenses reimbursed in exceptional circumstances, none of the trustees received any remuneration, which is in accordance with the Charity's governing document. During the year £Nil (2019: £Nil) has been reimbursed to Trustees.

13. INTEREST PAYABLE AND SIMILAR CHARGES

	2020	2019
	£	£
Bank loans and overdrafts	7,980	12,801
Loan stock	22,670	10,602
Other loans	-	2,258
HP interest	2,125	795
	<u>32,775</u>	<u>26,456</u>

SOUTH DEVON RAILWAY TRUST

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2020

14. INTANGIBLE FIXED ASSETS

CHARITY

	Transport & Works Act Order £
COST	
At 1 January 2020 and 31 December 2020	<u>55,183</u>
AMORTISATION	
At 1 January 2020	27,590
Charge for the year	<u>2,759</u>
At 31 December 2020	<u>30,349</u>
NET BOOK VALUE	
At 31 December 2020	<u>24,834</u>
At 31 December 2019	<u>27,593</u>

Transport & Works Act Order: This is the capitalised costs of acquiring the statutory power to own and operate the Railway, which became effective on 30 December 2009.

SOUTH DEVON RAILWAY TRUST

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2020

15. TANGIBLE FIXED ASSETS

	Brought forward 1 Jan 20 £	Additions £	Disposals £	Carried forward 31 Dec 20 £
COST				
Freehold Land and buildings	1,693,222	39,058	-	1,732,280
Track and infrastructure	1,298,180	136,684	-	1,434,864
Workshop & Other Equipment	805,881	5,360	-	811,241
Locomotives	1,262,734	33,303	(201,243)	1,094,794
Rolling stock	530,579	345	-	530,924
	<u>5,590,596</u>	<u>214,750</u>	<u>(201,243)</u>	<u>5,604,103</u>
	Brought forward 1 Jan 20 £	Charges £	Disposals £	Carried forward 31 Dec 20 £
DEPRECIATION				
Freehold Land and buildings	117,535	22,166	-	139,701
Track and infrastructure	503,948	48,971	-	552,919
Workshop & Other Equipment	598,435	44,818	-	643,253
Locomotives	273,439	70,769	-	344,208
Rolling stock	177,831	15,016	-	192,847
	<u>1,671,188</u>	<u>201,740</u>	<u>-</u>	<u>1,872,928</u>
	Brought forward 1 Jan 20 £			Carried forward 31 Dec 20 £
NET BOOK VALUE				
Freehold Land and buildings	1,575,687			1,592,579
Track and infrastructure	794,232			881,945
Workshop & Other Equipment	207,446			167,988
Locomotives	989,295			750,586
Rolling stock	352,748			338,077
	<u>3,919,408</u>			<u>3,731,175</u>

SOUTH DEVON RAILWAY TRUST

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2020

15. TANGIBLE FIXED ASSETS *(continued)*

In respect of assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2020	2019
	£	£
NBV of revalued tangible fixed assets:		
Net book value at end of year	<u>418,329</u>	<u>418,329</u>
Historical cost:		
At 31 Dec 19 and 31 Dec 20	<u>578,411</u>	<u>578,411</u>
Depreciation:		
At 1 Jan 20	340,172	335,771
Charge for year	-	4,401
At 31 Dec 20	<u>340,172</u>	<u>340,172</u>
Net historical cost value:		
At 31 Dec 20	<u>238,239</u>	<u>238,239</u>
At 1 Jan 20	<u>238,239</u>	<u>242,640</u>

The net historic cost value per class of asset is:

	2020	2019
	£	£
Track and infrastructure	22,591	22,591
Workshop & Other Equipment	2,685	2,685
Locomotives	192,016	192,016
Rolling stock	<u>20,947</u>	<u>20,947</u>
	<u>238,239</u>	<u>238,239</u>

The directors revalued the assets held in 2000. Under the transitional rules of FRS15 and FRS 102 this revaluation has not been updated.

16. INVESTMENTS

	2020	2019
	£	£
Cost:		
At 1 Jan 20 and 31 Dec 20	<u>270,516</u>	<u>280,516</u>

Analysis of investments at 31 Dec 20 between funds

	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£
Other investments				
UK Group undertakings	252,184	-	252,184	262,184
Other UK unlisted Securities	<u>18,332</u>	-	<u>18,332</u>	<u>18,332</u>
	<u>270,516</u>	-	<u>270,516</u>	<u>280,516</u>

SOUTH DEVON RAILWAY TRUST

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

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16. INVESTMENTS (continued)

The Charity holds shares in the following companies incorporated in England and Wales, which are included in these consolidated accounts:

South Devon Railway Limited (FCA number 03711951) - this company operates the shop and café at the Buckfastleigh railway station. The Charity holds 100% of the Ordinary A shares and 9.2% of the Ordinary shares. In accordance with the constitution of South Devon Railway Limited, the Charity is entitled to one vote, so South Devon Railway Trust does not exercise any control over South Devon Railway Limited and therefore this company is not consolidated into group accounts.

5526 Limited (company number 02775522) - this company owns locomotive 5526, which is leased to the Charity rent free. The Charity holds 76.1% of the ordinary shares and voting rights. 5526 Limited is currently dormant and so is not consolidated into group accounts.

17. STOCKS

	2020	2019
	£	£
Raw materials – railway	-	134,962
	<u>-</u>	<u>134,962</u>

18. DEBTORS

	2020	2019
	£	£
Trade debtors	19,858	31,982
Amounts owed by associated and group undertakings	72,879	95,508
Other debtors	12,908	15,226
Prepayments and accrued income	382,610	42,795
	<u>488,255</u>	<u>185,511</u>

Amounts owed by group undertakings are interest free and repayable on demand.

19. CREDITORS: Amounts falling due within one year

	2020	2019
	£	£
Bank loans and overdrafts	39,071	181,630
Trade creditors	99,514	198,632
Amounts owed to group undertakings	491,459	121,423
Taxation and social security	66,965	21,901
Taxation deducted	6,322	4,518
Other loans	46,000	22,000
Other creditors	4,790	9,591
Accruals	19,501	60,158
Loan stock	74,000	115,500
HP agreements	9,575	8,725
	<u>857,197</u>	<u>744,078</u>

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19. CREDITORS: Amounts falling due within one year (continued)

The following liabilities disclosed under creditors falling due within one year are secured by the charity:

	2020	2019
	£	£
Bank loans and overdrafts	39,071	181,630
HP agreements	9,575	8,725
	<u>48,646</u>	<u>190,355</u>

The bank finance is secured by a first legal charge over the property known as Stations, buildings and land at Buckfastleigh to Totnes Railway Line and an unlimited debenture incorporating a fixed and floating charge.

The hire purchase agreements are secured on the assets financed.

Amounts owed by/to group or associated undertakings are interest free and repayable on demand.

20. CREDITORS: Amounts falling due after more than one year

	2020	2019
	£	£
Loan stock	180,000	183,500
Bank loans and overdrafts	183,345	202,266
HP agreements	25,020	31,266
Other loans	534,000	222,000
Accruals	38,205	38,205
	<u>960,570</u>	<u>677,237</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the charity:

	2020	2019
	£	£
Bank loans and overdrafts	183,345	202,266
HP agreements	25,020	31,266
	<u>208,365</u>	<u>233,532</u>

Details of securities are disclosed above in the note for amounts due in less than one year.

The following aggregate liabilities are repayable by instalments, and are due for repayment after more than five years from the balance sheet date:

	2020	2019
	£	£
Bank loans and overdrafts	<u>223,829</u>	<u>101,595</u>

The bank loans are repayable by instalments. There are two separate loans, interest is payable at 2.82% and 2.88% fixed rate until 9 January 2018 and then at 1.75% above Bank of England base rate.

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21. CREDITORS - CAPITAL INSTRUMENTS

Creditors include finance capital which is due for repayment as follows:

	2020	2019
	£	£
Amounts repayable:		
In one year or less or on demand	168,646	355,855
In more than one year but not more than two years	242,940	68,898
In more than two years but not more than five years	493,804	478,744
In more than five years	223,829	101,595
	<u>1,129,216</u>	<u>1,005,092</u>

The above liabilities comprise bank loans and loan stock.

22. ENDOWMENT FUNDS

	Balance at 1 Jan 2020	Incoming resources	Outgoing resources	Transfers	Balance at 31 Dec 2020
	£	£	£	£	£
Endowment Funds & Capital	<u>119,149</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,149</u>

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23. RESTRICTED INCOME FUNDS

	Balance at 1 Jan 2020	Incoming resources	Outgoing resources	Balance at 31 Dec 2020
	£	£	£	£
Dumbleton Hall RTSA fund	13,245	6,873	-	31,361 *
1420 fund	18,302	500	18,802	-
Heritage centre fund	1,000	-	1,000	-
Wickham Trolley fund	5,000	-	5,000	-
Lady Angela	4,165	-	4,165	-
Hawksworth 2180 fund	-	950	950	-
GW development fund	-	8,663	8,663	-
Foundation fund	-	3,420	3,420	-
Routemaster bus (RM 1872) fund	-	3,000	3,000	-
	<u>41,712</u>	<u>23,406</u>	<u>45,000</u>	<u>31,361</u>
<u>Depreciating funds:</u>				
Nursery Pool Bridge - Heritage lottery fund	128,100	-	3,660	124,440
Heritage Rolling Stock Conservation Centre fund	67,942	-	1,449	66,493
Dumbleton Hall RTSA fund	11,243	-	-	- *
1420 fund	26,852	-	-	26,852
Hawksworth 2180 fund	51,045	-	-	51,045
GW development fund	27,015	-	-	27,015
Gronk fund	25,544	-	548	24,996
Totnes signalling fund	17,855	-	2,169	15,686
Toilet block fund	2,798	-	350	2,448
Training building fund	4,800	-	800	4,000
Station field fund	79,233	-	-	79,233
Site development fund	94,658	-	3,388	91,270
S & T Store in Totnes fund	4,230	-	470	3,760
Play area	10,000	-	1,000	9,000
	<u>593,027</u>	<u>23,406</u>	<u>58,834</u>	<u>557,599</u>

* Includes a transfer in the year of £11,243 from depreciating funds to funds to be expended.

The restricted funds consist of the following:

Endowment funds and capital. This is the issued share capital of the company as follows:

	2020	2019
	£	£
Allotted, called up and fully paid 118,187 Ordinary shares of £1 each	118,187	118,187
Capital redemption reserve	475	475
487 Promoter shares of £1 each	487	487
	<u>119,149</u>	<u>119,149</u>

SOUTH DEVON RAILWAY TRUST
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23. RESTRICTED INCOME FUNDS (continued)

Dumbleton Hall RTSA fund: For the restoration or ongoing maintenance of locomotive 4920.

1420 fund: For the restoration or ongoing maintenance of locomotive 1420.

Heritage centre fund: To be used for the SDR Heritage Centre.

Wickham Trolley fund: To be used for the maintenance or running of the Wickham Trolley.

Lady Angela fund: For the restoration or ongoing maintenance of Lady Angela.

Hawksworth 2180 fund: For the restoration or ongoing maintenance of coach Hawksworth 2180.

GW development fund: Expenditure on any project relating to the Great Western Railway.

Foundation fund: For the support of maintenance and improvements on infrastructure and rolling stock.

Routemaster Bus fund: For the operation, repair and maintenance of the Routemaster Bus.

DEPRECIATING FUNDS:

These funds have already been expended on fixed assets; the funds will decrease as these assets depreciate.

Nursery Pool Bridge: Heritage lottery fund. This relates to the grant given by HLF as part of the rebuilding of Nursery Pool bridge. This asset is being depreciated over a fifty year period and the restricted fund is being utilised over the same period.

Heritage Rolling Stock Conservation Centre: For the construction of the Heritage Rolling Stock Conservation Centre.

Dumbleton Hall RTSA fund: For the restoration or ongoing maintenance of locomotive 4920.

1420 fund: For the restoration or ongoing maintenance of locomotive 1420.

Hawksworth 2180 fund: For the restoration or ongoing maintenance of coach Hawksworth 2180.

GW development fund: Expenditure on any project relating to the Great Western Railway.

Gronk fund: To cover the restoration and depreciation costs of the new 09 shunter.

Totnes signalling fund: To be used on the signalling at and around the station at Totnes.

Toilet block fund: To be used on the replacement toilet block at Buckfastleigh station.

Training building fund: For the construction of a building to be used for training.

Station field fund: For the purchase of the station field.

Site development fund: For the development of the site at and around Buckfastleigh station.

S & T Store in Totnes fund: For the building and maintenance of the S & T Store in Totnes.

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Play area: For the refurbishment of the play area in the grounds of Buckfastleigh station.

24. UNRESTRICTED INCOME FUNDS

	Balance at 1 Jan 2020 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Dec 2020 £
Designated Fund -					
Revaluation fund	158,659	-	-	-	158,659
General funds	2,260,028	926,867	850,399	-	2,336,496
	<u>2,418,687</u>	<u>926,867</u>	<u>850,399</u>	<u>-</u>	<u>2,495,155</u>

Revaluation reserve: This represents the increase in value of fixed assets over original cost. The reserve is being released to the general unrestricted fund to match the element of depreciation charge in excess of the historic cost charge.

25. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed assets £	Invest- ments £	Net current assets/ (liabilities) £	Long term liabilities £	Total £
Restricted Income Funds:					
Endowment Funds & Capital	-	-	119,149	-	119,149
Restricted Funds	526,238	-	31,361	-	557,599
	<u>526,238</u>	<u>-</u>	<u>150,510</u>	<u>-</u>	<u>676,748</u>
Unrestricted Income Funds:					
Designated Funds	158,659	-	-	-	158,659
General Funds	3,071,112	270,516	(51,589)	(953,543)	2,336,496
	<u>3,229,771</u>	<u>270,516</u>	<u>(51,589)</u>	<u>(953,543)</u>	<u>2,495,155</u>
Total Funds	<u>3,756,009</u>	<u>270,516</u>	<u>98,921</u>	<u>(953,543)</u>	<u>3,171,903</u>

26. RECONCILIATION OF NET INCOME / EXPENDITURE TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income for year	41,040	(17,495)
Interest receivable	-	(82)
Interest payable	32,775	26,456
Depreciation and impairment of tangible fixed assets	201,740	180,127
Amortisation and impairment of intangible fixed assets	2,759	2,759
(Profit) / loss on disposal of tangible fixed assets	(98,757)	-
Decrease/(Increase) in stock	134,962	(97,999)
(Increase)/Decrease in debtors	(302,744)	37,540
Increase in creditors	272,328	57,346
Net cash flow from operating activities	<u>284,103</u>	<u>188,652</u>

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27. ANALYSIS OF CHANGES IN NET DEBT

	1 Jan 20 £	Cash flows £	31 Dec 20 £
Cash and cash equivalents	<u>(4,188)</u>	<u>(470,702)</u>	<u>(474,890)</u>
Debt due within 1 year	319,130	(160,059)	159,071
Debt due after 1 year	607,766	289,579	897,345
Hire purchase agreements	39,991	(5,396)	34,595
	<u>966,887</u>	<u>124,124</u>	<u>1,091,011</u>
	<u>962,699</u>	<u>(346,578)</u>	<u>616,121</u>

28. RELATED PARTIES

The Charity is controlled by the Trustees of Dumbleton Hall Preservation Society through this and the previous year. The ultimate controlling party is R J Elliott ACIB, who is the chairman of Dumbleton Hall Preservation Society.

The Charity allows South Devon Railway Road Services Limited (SDRRSL), a company that shares some directors with the South Devon Railway Group, to utilise its bus in exchange for the provision of bus services for passengers of the railway. The Charity meets the fuel costs of trips undertaken for its benefit, during the year £1,811 (2019: £1,530) was paid to SDRRSL. During the year SDRRSL paid gift aid to South Devon Railway Trust of £6,000 (2019: £5,500).

The following hold loan stock as at 31 December 2020:

J Keohane MVO BEM, Trustee, £10,000
R J Elliott ACIB, Trustee, £5,000.
C A Williams, Trustee, £30,000

Interest is payable at 3.5% or 2.75%.

The charity has taken interest free loans from Trustees, the balance outstanding at 31st December 2020 is £170,000. (2019 - £180,000)