



West Somerset Railway Association

The Railway Station, Bishops Lydeard
Taunton, TA4 3BX
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March 2019

Dear Member

24th ASSOCIATION AGM

This year we shall be holding our AGM in Crowcombe Village Hall (TA4 4AQ) on Saturday 13 April at 1400. You will find the Agenda on the reverse of this letter. Also enclosed are the abbreviated accounts and a proxy form if you cannot attend.

I am delighted to say that the WSR Plc have offered free return travel that day from any station to Stogumber on production of your membership card. A heritage bus driven by the Plc's Chairman, Jonathan Jones-Pratt, will meet the 1215 from Bishops Lydeard and the 1310 from Watchet and take you to Crowcombe. Unfortunately the trains are too late for the return trip, so we shall be making arrangements to get you back after the meeting. Please look at the website nearer the date for the details.

I look forward to seeing you there.

Yours sincerely

Paul Whitehouse
Chairman



West Somerset Railway Association

Annual General Meeting 13 April 2019

Agenda

- 1. Chairman's welcome**
- 2. Apologies for absence and announcement of proxies**
- 3. Minutes of the 23rd AGM held on Saturday 7 July 2018**
- 4. Chairman's Report**
- 5. Annual Report and Accounts**
To receive the Annual Report and Accounts.
- 6. Appointment of Independent Examiners**
To re-appoint Godfrey Wilson as independent examiners to the Association and to authorise the Board to agree their remuneration.
- 7. Election of Directors**
In accordance with Article 24, John Glover, Mike Lea and Mike Sherwood are retiring. John Glover and Mike Sherwood have offered themselves for re-election. Mike Lea is eligible for election and has been validly nominated and seconded.

In accordance with Article 51 any member unable to attend may appoint a proxy to attend in his/her place to vote on any resolution placed before the meeting. Notification in the attached form must be received at the Registered Office (above) by 2pm on Thursday 11 April 2019.

A Members' Discussion Session will follow the formal business of the meeting.

WEST SOMERSET RAILWAY ASSOCIATION PROXY FORM

I/we ¹.....of ².....

..... being Member/s No ³..... of the

above named charity, hereby appoint the *Chairman of the meeting, or failing *him or her,

⁴.....

as my/our proxy to vote in my/our names(s) and on my/our behalf at the annual general meeting of this charity to be held on 13 April 2019 and at any adjournment thereof. Unless otherwise instructed, the proxy may vote as he or she thinks fit or abstain from voting.

No.	RESOLUTION	FOR**	AGAINST**	ABSTAIN**
	To receive the Annual Report and Accounts for 2018			
	To appoint Godfrey Wilson as independent examiners to the Association and to authorise the Board to agree their remuneration.			
	Election of John Glover			
	Election of Mike Lea			
	Election of Mike Sherwood			

*If preferred, delete “Chairman of the Meeting” and insert name and address of proxy.

Tick the appropriate box to indicate if, and how, you wish your proxy to vote on a resolution. Joint memberships are entitled to **TWO votes so please make two tick marks to indicate your votes.

Signed.....

this.....day of.....2019

Signed⁵.....

this.....day of.....2019

-
- 1 Enter full name(s) of member(s)
 - 2 Enter full address, including postcode
 - 3 Enter Membership Number
 - 4 Enter name and address of substitute
 - 5 For joint members the second member should sign here

Company no. 02968284
Charity no. 1041901

West Somerset Railway Association
Report and Unaudited Financial
Statements
31 December 2018

West Somerset Railway Association

Reference and administrative details

For the year ended 31 December 2018

Company number 02968284

Charity number 1041901

Registered office and operational address The Railway Station
Bishops Lydeard
Taunton
Somerset
TA4 3BX

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Jack Baird	appointed 14 January 2019
Frank Courtney	appointed 7 July 2018 resigned 13 August 2018
William Foster	appointed 7 July 2018
Geoffrey Garfield	
John Glover	
Rodney Greenway	resigned 13 August 2018
Michael Lea	appointed 26 February 2018
Nigel Power	
Michael Sherwood	
Simon Stretton	resigned 2 July 2018
Robin White	appointed 7 July 2018
Paul Whitehouse	(Chair)

Key management personnel	Jacquie Green	General Manager
	Kate Beard	Retail Manager
	Ryan Pope	Engineering Manager
	Keith Sandford	Administrator
	Kat Sims	Bookkeeper

Bankers	Royal Bank of Scotland	Lloyds Bank
	7 Fore Street Taunton TA1 1HT	27 Fore Street Redruth TR15 2BJ

Solicitors Bates Wells Braithwaite
10 Queen Street Place
London
EC4R 1BE

Independent examiners Godfrey Wilson Limited
Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

West Somerset Railway Association

Report of the trustees

For the year ended 31 December 2018

Reference 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 (effective from January 2015).

Structure, governance and management

The charity is a company limited by guarantee governed by Memorandum and Articles, which were substantially revised to bring them up-to-date at the AGM on 30 September 2017. Trustees are elected from the membership, and one third retire each year by rotation. Members are made aware before the election of the skills sets of current and prospective trustees. The board has the power to co-opt trustees up to the prescribed maximum (currently 10).

The charity employs a General Manager, who is also responsible for WSRA (Promotions) Limited, its trading company, which has its own board. One director is not a trustee and only three trustees are directors.

Strategic decisions and those with significant financial effect are made by the trustees, while day-to-day running is delegated to the General Manager, in consultation where necessary with the Chair, Vice-Chair and/or Treasurer. The charity is a member of the Heritage Railway Association. In setting staff pay the trustees are mindful of the rates paid by the West Somerset Railway plc.

Objectives and activities

The charity's aims are:

- To enable individuals and external corporate organisations to have a supportive and interactive role with the West Somerset Railway;
- To channel the support of those individuals and external corporate organisations, so that it is beneficial to the development of the West Somerset Railway;
- To promote the historical and heritage aspects of the West Somerset Railway, including appropriate support to allow continued running of heritage trains on the line;
- To engage with young people, and to educate people of all ages, in the potential and excitement of active involvement in a heritage railway;
- To raise funds, through the members, through appeals, through grant applications and in any other appropriate way to support the development and sustainability of the West Somerset Railway as a heritage operation; and
- To work collaboratively, and in a mutually supportive and open way, with all other organisations supporting the West Somerset Railway, and in particular the West Somerset Railway plc, through the Partnership Development Group and any other appropriate forum.

These aims will enable the charity to educate people in an understanding of the heritage aspects of the West Somerset Railway. Its long term goal is to ensure the maintenance of the railway's heritage equipment and infrastructure and to work with the West Somerset Railway plc and other organisations which support the railway, to improve the arrangements for the public to see all aspects of how the railway is run. It will measure these successes by condition surveys of heritage items, and footfall in places where such viewing arrangements are improved.

The trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Commission. They have ensured that all who visit the West Somerset Railway are able to view those artefacts which demonstrate the heritage aspects of the line, including the locomotives, rolling stock and stations, all of which are maintained in as near original condition as possible.

West Somerset Railway Association

Report of the trustees

For the year ended 31 December 2018

Achievements and performance

The **Locomotive Restoration Fund** was established to secure the long term security of locomotives operating on the WSR, through the refurbishment of two locomotives owned by the Association, Small Prairie 4561 and Manor Class 7821, Ditcheat Manor. Nearly £27,000 was raised for this fund, which now stands at just under £66,000. Work has started on the first phase of restoration of Small Prairie 4561, planned to achieve a rolling chassis.

Membership continued to reduce, albeit at a slower rate, but overall income from this source was £60,000. The Plc has agreed that from April 2019 all members will receive one free day's travel throughout the line, and 50% discount on all other tickets purchased. The Association will not claim gift aid on subscriptions (although it is claimed on all donations where possible) unless negotiations with HMRC are successful.

Agreement was reached with the Plc in early 2019 that the Association would once again run raffles on trains and that the on-train envelopes would be redesigned so that the Association would be able to reclaim gift aid to the greater benefit of the whole railway. There is now a clear understanding that the Association will concentrate on fundraising, so that its charitable status can be used to best effect, while the Plc will operate the trains and other commercial activities.

The Plc has indicated that it would like to purchase the shop, and possibly the whole of WSRA (Promotions) Limited. Trustees are well aware of their fiduciary duty to obtain a fair price for this business and discussions are continuing.

The 50-50 Club has again contributed over £6,000 to general funds.

The Board made grants of £740 to stations and other groups for small heritage projects, from general funds. Applications continue to be welcomed from all parts of the railway for assistance in heritage projects.

The charity's heritage dining train (Quantock Belle) had its second successful operating season under the management of the WSR Plc, following the charity's expenditure of £17,000 to further preserve the vehicles.

The Steam Fayre and Vintage Vehicle Rally was once again a great success, and raised net income of over £42,000 thanks to magnificent efforts by many volunteers.

West Somerset Restoration, the engineering arm of the charity's trading company, continued to provide a significant resource for the railway.

The Association could not function without volunteers. In 2018 we had four main areas:

- Administration: nearly 2,000 hours;
- Steam Fayre and Vintage Vehicle Rally: at least 2,400 hours for the setting up, running and dismantling without attempting to count the organising and planning;
- Shop: over 9,400 hours; and
- Work for WS Restoration, the engineering arm of the charity's trading company, including maintenance of the Association's rolling stock: over 3,700 hours.

Efforts continued to recover the Association's shares in Four One Six O Limited.

West Somerset Railway Association

Report of the trustees

For the year ended 31 December 2018

Plans for future periods

The Hinkley Point Community Fund awarded the Association £95,700 in November 2018, to deliver a Community Engagement Project, by strengthening the railway's links with the local community, in order to facilitate personal well-being, community cohesion and the training and upskilling of people living in West Somerset and the wider areas surrounding Hinkley Point. The board is very grateful to Andy Norman who as a very committed volunteer took this application through to a successful conclusion. Catherine Dance was appointed as Community Engagement Officer in January 2019 and is developing contacts and links for the project.

The trustees are working with a trust fundraiser in order to expand their fundraising programme in an attempt to diversify funding streams and increase sustainability.

Financial review

Total group expenditure exceeded income during the year by £45,000 (2017: £28,000). There was a reduction in reserves from £1.793m to £1.748m.

Total income during the year decreased by £52,116, but there was a corresponding reduction in expenditure of £35,538.

Reserves policy

The Association has sufficient reserves to sustain its current expenditure for at least three months (£75,000). The trustees believe that this amount is adequate. At 31 December 2018 free reserves amounted to £426,031 (2017: £422,411).

Risk management

The principal risk facing the charity is declining membership. This has continued, albeit at a slower rate. Other risks include the lack of security of tenure for premises occupied by the trading company and these are being mitigated through continuing discussions with the plc.

Safeguarding

The trustees considered advice from the Charity Commission on Safeguarding. They do not currently have any children or vulnerable adults as volunteers, but are mindful of their responsibilities to all their staff and volunteers. They have adopted the WSR PLC's Safeguarding Policy, designed for the whole of the West Somerset Railway, and last updated in October 2018.

Statement of responsibilities of the trustees

The trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with 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).

West Somerset Railway Association

Report of the trustees

For the year ended 31 December 2018

The trustees are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the group and the incoming resources and application of resources, including the net income or expenditure, of the charity and the group for the year. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2018 was 3,587 (2017: 3,955). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Independent examiners

Godfrey Wilson Limited were appointed as independent examiners to the charitable company during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 11 March 2019 and signed on their behalf by



Paul Whitehouse - Chair



Michael Lea - Treasurer

Independent examiner's report

To the members of

West Somerset Railway Association

I report to the charity trustees on my examination of the consolidated accounts of the group comprising West Somerset Railway Association ('the charity') and its subsidiary undertakings, WSRA (Promotions) Limited, for the year ended 31 December 2018, which are set out on pages 8 to 27.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the consolidated accounts of the group in accordance with the requirements of the Charities Act 2011 ('the Act') and you have chosen to prepare consolidated accounts for the group. You are satisfied that the accounts of both the charity and the group are not required by company law to be audited and have chosen instead to have an independent examination.

I report in respect of my examination of the consolidated accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the consolidated accounts present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- (1) accounting records were not kept in respect of the charity and the group as required by section 130 of the 2011 Act and, with respect to the subsidiaries, as required by section 386 of the Companies Act 2006; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- (4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Independent examiner's report

To the members of

West Somerset Railway Association

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Alison Godfrey

Date: 18 MARCH 2019.

Alison Godfrey FCA

Member of the ICAEW

For and on behalf of:

Godfrey Wilson Limited

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

West Somerset Railway Association

Consolidated statement of financial activities *(incorporating an income and expenditure account)*

For the year ended 31 December 2018

	Note	Restricted £	Unrestricted £	2018 Total £	2017 Total £
Income from:					
Donations and legacies	3	53,853	68,278	122,131	96,871
Other trading activities	4	-	512,408	512,408	589,766
Investments		-	68	68	86
Total income		<u>53,853</u>	<u>580,754</u>	<u>634,607</u>	<u>686,723</u>
Expenditure on:					
Raising funds		2,902	472,151	475,053	495,437
Charitable activities		1,970	202,564	204,534	219,688
Total expenditure	6	<u>4,872</u>	<u>674,715</u>	<u>679,587</u>	<u>715,125</u>
Net income / (expenditure) and net movement in funds	9	48,981	(93,961)	(44,980)	(28,402)
Reconciliation of funds:					
Total funds brought forward		<u>39,281</u>	<u>1,753,649</u>	<u>1,792,930</u>	<u>1,821,332</u>
Total funds carried forward		<u><u>88,262</u></u>	<u><u>1,659,688</u></u>	<u><u>1,747,950</u></u>	<u><u>1,792,930</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 22 to the accounts.

West Somerset Railway Association

Consolidated balance sheets

As at 31 December 2018

		The group		The charity	
	Note	2018	2017	2018	2017
		£	£	£	£
Fixed assets					
Tangible fixed assets	12	623,481	654,517	620,046	652,137
Heritage assets	13	675,629	715,502	675,629	715,502
Investments	14	500	500	600	600
		<u>1,299,610</u>	<u>1,370,519</u>	<u>1,296,275</u>	<u>1,368,239</u>
Current assets					
Stocks	17	83,103	90,819	-	-
Debtors	18	96,915	55,374	246,258	296,639
Cash at bank and in hand		346,109	318,163	241,936	144,132
		526,127	464,356	488,194	440,771
Liabilities					
Creditors: amounts falling due within 1 year	19	77,787	41,945	39,954	26,461
Net current assets		<u>448,340</u>	<u>422,411</u>	<u>448,240</u>	<u>414,310</u>
Net assets	21	<u>1,747,950</u>	<u>1,792,930</u>	<u>1,744,515</u>	<u>1,782,549</u>
Funds					
Restricted funds	22	88,262	39,281	88,262	39,281
Unrestricted funds					
General funds		<u>1,659,688</u>	<u>1,753,649</u>	<u>1,656,253</u>	<u>1,743,268</u>
Total funds		<u>1,747,950</u>	<u>1,792,930</u>	<u>1,744,515</u>	<u>1,782,549</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477(2), and that no member or members have requested an audit pursuant to section 476 of the Act.

West Somerset Railway Association

Consolidated balance sheets

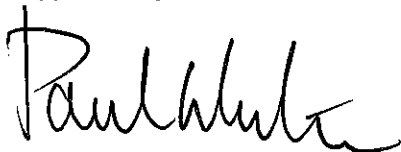
As at 31 December 2018

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 386 of the Act; and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

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

Approved by the trustees on 11 March 2019 and signed on their behalf by



Paul Whitehouse - Chair



Michael Lea - Treasurer

Trustee Candidate statements for WSRA 2019

John Glover

42 years on..... As a Fireman, Driver and Guard I've seen the railway grow from the pioneering days of limited resources and budgets into a thriving railway. I've witnessed its disappointments and set-backs, and celebrated its achievements and successes, as both a Company employee and as an Association member. Without doubt the railway's greatest success story is that of the people who make it all function. Following the WSRA's period of "lost direction"; I joined the Board of Trustees and set about returning it to be the railway's principle support body. Three years on we are now turning the corner and starting to "come up with the goods".

The railway faces increasing challenges as a 1950's attraction in a very demanding 21st century, with both legislative and financial challenges ahead. If it is to meet these challenges it will need a strong & focused support association.

I'm not one, who simply tows the line. Previously I've challenged the WSRA's policy makers from the outside, and I now challenge my colleagues from the inside, as I would expect them to challenge me. I passionately believe we're a "Members Association". I will do my best to listen to **you** and represent **your** views on the Association board.

Mike Lea

I am senior partner of Smith & Williamson, accountants and investment managers in Bristol. I am a trustee of eleven separate charities throughout the south west, chairing two of them and chairing the finance committee of five others.

As such I have extensive experience of dealing with the finances of charities and I believe that at a time when the cash position of the railway as a whole is the subject of much concern and great scrutiny, I can use that experience to ensure that the Association remains on a sound financial footing. We need to maximise our income and keep costs under firm control, only spending what we can afford.

I firmly believe in the concept of one railway and will do my utmost to ensure that the commitment and energy that is clearly present in all of the organisations that form part of WSR are channelled in a common and beneficial direction.

Continued.....

Mike Sherwood

I started my career as a biochemist working for the UKAEA in Buckinghamshire quickly graduating to a role in operational management. A move to Cardiff gave me a new direction into project management and opened a gateway to several multinational projects working for some large Corporations including Kodak and Johnson & Johnson. A spell with Tyco as part of a Mergers and Acquisitions team allowed me to hone my skills in this area, in particular in organisational change management and business consolidation and to round out my business knowledge. I spent the last 10 years of my career as a self-employed consultant and interim manager in the Medical Device and Pharma sectors.

I have been WSRA member for about 16 years. Now retired, I volunteer on the WSR in the locomotive department. I have been volunteering for around 12 years and currently hold the grade of fireman on the footplate completing around 60 firing turns per year.

I am currently the Vice Chairman of the Association and a director and Acting Chair of WSR (Promotions) Ltd. We are in the middle of a transformational process that the members voted for 3 years ago and I'd very much like to complete that task on your behalf.