

REGISTERED COMPANY NUMBER: 03230084 (England and Wales)

REGISTERED CHARITY NUMBER: 1058432

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018
FOR**

**THE CLASS 4 PRESERVATION TRUST LTD
THE CLASS 4 PRESERVATION TRUST LTD**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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THE CLASS 4 PRESERVATION TRUST LTD

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018**

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2018. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03230084 (England and Wales)

Registered Charity number

1058432

Registered office

The Little Croft
42 Church Lane
Wolstanton
Newcastle-under-Lyme
Staffordshire
ST5 0EG

Trustees

P T Oldfield	Chairman		
D P Cawthorn M.B.E.			
H J Self			
D P Thornton			
B R Smith			
M H Davenhill			

Company Secretary

H J Self

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The company was incorporated on 26th July, 1996 and registered as a charity on 2nd October 1996.

The liability of full members of the Society is an undertaking to contribute to the assets of the Trust in the event of its being wound up, while a member, or within one year of ceasing to be a member, a sum not exceeding one pound.

Recruitment and appointment of new trustees

Any new appointments are at the recommendation of the board.

Organisational structure

Trustees serve for a three year period and may be re-elected for a further three year period. The trustees meet at least four times a year to discuss progress and to formulate strategies.

THE CLASS 4 PRESERVATION TRUST LTD

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

Please refer to page 11, note 11, for related party transactions.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's objectives are to carry out activities relating to the acquisition, restoration and preservation and

display for the public benefit of steam locomotives of historic interest and, in particular, class 4 locomotives.

The Trust currently owns two class 4 locomotives, ex-BR standard tank number 80136 and Hunslet "J94" currently numbered 68030.

The statement of Financial Activities for the year is set out on page 4 of the financial statements. A summary of the financial results and the work of the charity is set out below.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Income

All income was derived from hire of the 80136. Locomotive 68060 is awaiting it's major overhaul.

Expenditure

The nature of steam locomotives is such that most work is carried out to keep the engine serviceable and safe has to be undertaken by professional engineers. Such works are paid from the Trust's accumulated reserves.

Fundraising activities

There are no current plans to develop fundraising beyond hiring of the locomotives.

FINANCIAL REVIEW

Reserves policy

The accumulated reserves are currently being applied to provide for the heavy mechanical overhaul of 80136.

Principal funding sources

Income is generated almost exclusively from the hiring of the locomotives to companies and organisations running preserved railways.

Investment policy and objectives

The trust holds surplus capital on deposit with Barclays Bank plc. It is not the Trust's policy to take investment risks so that any accumulated funds will be held in deposit accounts offering best terms.

THE CLASS 4 PRESERVATION TRUST LTD

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2018

Approved by order of the board of trustees on and signed on its behalf by:

.....
P T Oldfield - Trustee

THE CLASS 4 PRESERVATION TRUST LTD

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2018

		31.12.18		31.12.17	
		Unrestricted funds		Total funds	
	Notes	£		£	
INCOMING RESOURCES					
Incoming resources from generated funds					
Investment income	2	0		0	
Voluntary income		15		0	
Incoming resources from charitable activities	3				
Restoration & preservation				<u>51,246</u>	<u>29,058</u>

Total incoming resources

51,261 29,058

RESOURCES EXPENDED		
Charitable activities		
Restoration & preservation	17,262	3,126
Governance costs	405	350
Total resources expended	17,667	3,476

NET INCOMING/(OUTGOING) RESOURCES		33,594	25,582

RECONCILIATION OF FUNDS	
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Total funds brought forward	233,659	208,077
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TOTAL FUNDS CARRIED FORWARD	267,253	233,659	

THE CLASS 4 PRESERVATION TRUST LTD

**BALANCE SHEET
AT 31 DECEMBER 2018**

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		31.12.18		31.12.17	
		Unrestricted funds		Total funds	
	Notes	£		£	
FIXED ASSETS					
Tangible assets	6	319,553		319,858	
CURRENT ASSETS					
Stocks		0		412	
Debtors	7	5,262		5,334	
Cash at bank		56,428		26,583	
61,690				32,329	

CREDITORS		
Amounts falling due within one year	8	(33,470) (53,028)

NET CURRENT ASSETS/(LIABILITIES)		28,220	(20,699)

TOTAL ASSETS LESS CURRENT LIABILITIES		347,773	299,159
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CREDITORS		
Amounts falling due after more than one year	9	(80,500) (65,500)

NET ASSETS	267,273	233,659	

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FUNDS	10	
Unrestricted funds	267,273	233,659
TOTAL FUNDS	267,273	233,659

THE CLASS 4 PRESERVATION TRUST LTD

BALANCE SHEET - CONTINUED AT 31 DECEMBER 2018

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2018 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

(a)	ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
(b)	preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Trustees on and were signed on its behalf by:

.....
P T Oldfield -Trustee

THE CLASS 4 PRESERVATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

INCOMING RESOURCES

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

RESOURCES EXPENDED

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Vans & equipment	- 10% on reducing balance
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The Trust has a practice of regular maintenance and repair of steam locomotives and any depreciation charge of the locomotives would be immaterial. The regular costs of restoration, repair and maintenance of the locomotives are charged to the income and expenditure account in the year in which they are incurred. During the years between the overhauls, provision is made annually for the anticipated cost of major overhauls of the steam locomotives, and is disclosed separately within the Detailed Statement of Financial Activities.

STOCKS

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

TAXATION

The charity is exempt from corporation tax on its charitable activities.

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

THE CLASS 4 PRESERVATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2018

2.	INVESTMENT INCOME				
		31.12.17		31.12.17	
		£		£	
	Deposit account interest	0		0	

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	31.12.2017	31.12.2017
	£	£
Hire & mileage	<u>51,246</u>	<u>29,058</u>

4. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	31.12.17		31.12.17	
	£		£	
Depreciation - owned assets	305		349	

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2018 nor for the year ended 31 December 2017.

TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 31 December 2018 nor for the year ended 31 December 2017.

6.	TANGIBLE FIXED ASSETS									
					Steam engines		Vans & equipment		Totals	
					£		£		£	

COST

At 1 January 2018 and 31 December 2018		326,188	4,658	330,846

DEPRECIATION

At 1 January 2018		8,406	2,582	10,988
Charge for year		97	208	305
At 31 December 2018		8,503	2,790	11,293

NET BOOK VALUE

At 31 December 2018		317,685	1,868	319,553
At 31 December 2017		317,782	2,076	319,858

The cost of steam engines at 31st December 2018 (and 2017) includes revaluation increases of the following amounts: Year ended 31st December 1999 £18,331. Year ended 31st December 2001 £20,000.**THE CLASS 4 PRESERVATION TRUST LTD**

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018

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6.	TANGIBLE FIXED ASSETS - continued
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Year ended 31st December 2004 £25,000

If the steam engines had not been revalued they would have been included at a cost of £262,857 (2017: £262,857). Steam engines were valued on an open market basis on 13th September, 2018 by Mr. P. T. Oldfield, a trustee.

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.18	31.12.17
	£	£
Trade debtors	<u>5,262</u>	<u>5,334</u>

8.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR
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	31.12.18	31.12.17
	£	£
Other loans	33,729	53,729
Value added tax	(871)	(1,298)
Directors' current account	227	247
Accruals and deferred income	385	350
33,470		48,119

9.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR
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The best estimate of the costs of the overhauls of the locomotives are accrued within the financial

statements during the years between overhauls.

The overhaul of 80136 was completed in 2017. Estimated costs of the next overhaul of the 80136 are being accrued at £15,000 per annum.

The costs accrued as at 31st December 2018 relating to the J94 stand at £65,500 and are included within creditors due after more than one year. The accrual will be released in line with the restoration costs of the J94 being incurred in due course.

10.	MOVEMENT IN FUNDS											
							At 1.1.18		Net movement in funds		At 31.12.18	
							£		£		£	
Unrestricted funds												
General fund							170,328		33,594		218,942	
Revaluation reserve							63,331		-		63,331	
233,659									33,594		282,273	
TOTAL FUNDS							233,659		33,594		282,273	

THE CLASS 4 PRESERVATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2018

10. MOVEMENT IN FUNDS - continued									
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Net movement in funds, included in the above are as follows:

							Incoming resources		Resources expended		Movement in funds	
							£		£		£	
Unrestricted funds												
General fund							51,261		(17,667)		33,594	
TOTAL FUNDS							51,261		(17,667)		33,594	

Comparatives for movement in funds

Comparatives for movement in funds										At 1.1.17		Net movement in funds		At 31.12.17	
										£		£		£	
Unrestricted Funds															
General fund										144,746		25,582		170,328	
Revaluation reserve										63,331		-		63,331	
208,077												25,582		233,659	
TOTAL FUNDS										208,077		25,582		233,659	

Comparative net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	29,058	(3,476)	25,582
TOTAL FUNDS	29,058	(3,476)	25,582

THE CLASS 4 PRESERVATION TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2017

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11. RELATED PARTY DISCLOSURES

Mr. P. T. Oldfield, a Trustee and director of the charitable company; has advanced a loan to the company of £53,729 to assist with the funding of the overhaul of the locomotive 80136. The first repayment of £20,000 was made during 2018. There is a provision within the loan agreement to charge a commercial rate of interest. The advance is included within "other loans".

Included in restoration and maintenance, are costs amounting to £nil (2017:£nil), which were purchased from Mr. P. T. Oldfield's sole trader business at market rate.

THE CLASS 4 PRESERVATION TRUST LTD

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018

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	31.12.18	31.12.17
	£	£

INCOMING RESOURCES

Investment income

Deposit account interest	0	0
Voluntary income		
Donations	15	0
Incoming resources from charitable activities		
Hire & mileage	51,246	29,058
Total incoming resources	51,261	29,058

RESOURCES EXPENDED

Charitable activities

Restoration & maintenance	16,500	2,770
Sundries	457	7
Depreciation of tangible fixed assets	305	349
17,262		3,126

Governance costs

Accountancy		405	350
Total resources expended		17,667	3,476
Net expenditure		33,594	25,582