

Registered number: 04341280
Charity number: 1092723

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
(A company limited by guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 30 JUNE 2017**

Trustees

H J McQuade, Chairman
J Leftwich
D E Mead
N C Paul CBE
R Scanlon
D C Williams
P B Copsey (appointed 3 October 2016)
R Treverton-Jones (appointed 3 October 2016)

Company registered number

04341280

Charity registered number

1092723

Registered office

Number One, Comberton Place, Kidderminster, Worcestershire, DY10 1QR

Company secretary

P B Copsey

Independent examiner

Crowe Clark Whitehill LLP, Black Country House, Rounds Green Road, Oldbury, West Midlands, B69 2DG

Bankers

HSBC Bank Plc, 31 Church Street, Kidderminster, Worcestershire, DY10 1QR

Senior Management Team

Shelagh Paterson - Director of Development

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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**CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017**

As the Severn Valley Railway Charitable Trust closes its fifth year, it is pleasing to be able to report on another commendable outcome, with this year seeing the highest income levels achieved to date. I am extremely grateful to everyone who has financially supported the Charitable Trust and those who volunteer to restore rolling stock and to fundraise, and to my fellow Trustees who govern the organisation.

Total income raised for the year was £940,901. It has been a year of notable successes: we exceeded the target of £1 million for the HLF Catalyst endowment Future Fund, well in advance of the HLF deadline; we delivered a historic high profile VIP day with Flying Scotsman; and received £107,000 (excluding HLF Endowment grant income) in grant funding despite the lack of a dedicated Trust fundraising resource.

We are grateful to the following, who have given us significant financial support in the past year:

Grant Making Bodies

Bransford Trust	Department for Transport
The EJTB Memorial Fund	The Grimmitt Trust
The Heritage Lottery Fund	Kidderminster College
The Owen Family Trust	The RD Turner Trust

Companies & Groups

Bewdley Brewery	Callow Oils
Coalyard Miniature Railway	Crowe Clark Whitehill (WRD)
Handelsbanken	Lapal House
MFG Solicitors	Rotary Club of Wellington
SVR A (Wolverhampton & London)	Thursfields LLP
West Midland Safari Park	

Legacies

Our thoughts are with the families and loved ones of those who have left legacies to the Charitable Trust, we are very grateful for their kind donations.

Elizabeth Bancroft	Neil Ker
David McRae	Ken Quanborough

Fundraising Summary

With the addition of a Communications Officer and a growing funding pot, we have been able to change our communications from what we will do with donations to what we have done with donations, and the beneficial impact this is having on the SVR. Thus increasing confidence in donating to the Trust. We have also recruited a dedicated resource to focus on income from companies.

Notable activities this year included:

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**CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017**

VIP Charity Day with Flying Scotsman

We welcomed the Flying Scotsman shortly after its return to steam, and made history by re-uniting the iconic locomotive with a full rake of SVR Charitable Trust-owned Gresley teak carriages. This was the first occasion this had happened since 1964, and it created a great deal of interest amongst enthusiasts and the general public alike. We received extensive press coverage and this enabled the Trust to highlight the cost of running a first-class heritage railway and our reliance on charitable donations. This VIP one-day-only event, attracted 1,200 guests and with ticket sales and significant donations, raised a satisfying £83,000. Press coverage was considerable with the newly recruited Communications Officer instrumental in securing coverage from BBC Midlands Today, Central TV and radio stations BBC Hereford & Worcester and BBC Shropshire.

£1 million appeal for the endowment Future Fund

The Heritage Lottery Fund set us a challenge back in 2013; if we could secure £500,000 in donations within five years, they would match them, pound for pound, to raise a total of £1 million to invest for the Railway's future.

We started this financial year with just 12 months left to raise the balance of £168,000 of the £500,000 target needed to secure the full £500,000 HLF endowment match funding. With a structured fundraising plan and a single focus on donations to the endowment, we raised more than £200,000 in donations from members, shareholders and donors.

The generosity and passion of our supporters was remarkable. So much so, that we made it to £1 million several weeks before the deadline expired. This money is invested in our endowment Future Fund which is currently creating good capital growth and in the years to come will generate income to pay for essential restoration work on the SVR's rolling stock and infrastructure.

People chose to support this appeal in different ways. Some signed up to a regular amount each month, and many of these were so impressed with our work that they pledged to continue their support after the expiry of the HLF match funding offer.

Corporate Support

We were unable to significantly increase our corporate income stream, however, with a new fundraiser joining in November 2016 we have had some more immediate successes, gaining three new corporate partners along with the re-signing of two previously lapsed members. Time will now be invested in growing our company supporter-base and our offerings during the next financial year.

Worcester Race Day June 2017

For our third event at Worcester, we hosted 170 business leaders from across the county. Phil Dutton handed over the Worcestershire Fundraising Group's reins to Richard Mander, also from Handelsbanken. Generous auction promises were donated. Profit from the day funded an apprentice for a year.

Grant-making organisations

Whilst we gave only limited resource to securing funds from grant-giving bodies, we nevertheless received £107,000 (excluding HLF Endowment grant income). A grant of £72,000 will be released in 2017-2018. This will further develop our £1.25 million application for a Round 2 HLF submission for the seven-arch Falling Sands viaduct in Kidderminster, which requires significant repair.

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**CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017**

Project Funding & Restoration during 2016-2017

Heritage Skills Training Academy £165,125 (2016 £35,000)

The Academy was set up as a pioneering venture in 2013 to address the inevitable decline in heritage engineering skills at the SVR. Since the Academy was established, the Trust has played a key role in its funding and currently contributes the majority of its running costs.

Within the SVR Heritage Skills Academy and Apprenticeship programme, six young people work and learn across the different departments; including locomotive running, boiler shop, carriage mechanical and carriage bodywork.

Within the Heritage Skills Academy, apprentices rotate around departments to gain experience and knowledge across a range of trades. After two years, they are assigned to one of the departments to pursue a specialisation. As well as intensive on-the-job training, apprentices work towards nationally recognised NVQ 2 and 3 Level qualifications.

As the apprentices gain experience, the Railway is able to use their skills to take on outside contract work for other heritage organisations. This brings in additional income to the Railway, all of which can be channelled back into restoration projects. It costs £21,000 to fund an apprentice for one year, and this essential scheme remains a priority project for funding from the Trust.

Diesel Depot £Nil (2016 £37,600)

We were pleased that judges at the Heritage Railway Association unanimously voted the Kidderminster Diesel Depot as the winner of their 2016 Modern Traction award. The Trust contributed to its build and continues to financially support this essential state-of-the-art diesel maintenance facility, which is undoubtedly the envy of many a mainline operator.

Infrastructure

Viaduct £60,000 (2016 £Nil)

The impressive 10-arched Sandbourne viaduct has stood to the south of Bewdley since 1860. It is made from local sandstone, which is very vulnerable to erosion, and means that the viaduct has needed ongoing repairs. The Trust has been instrumental in funding the stonework restoration on the viaduct. With the generous support of donors, we hope to make further contributions to the continuing programme of repairs to both this and the Wribbenhall viaduct to the north of Bewdley.

Bypass Bridges £30,000 (2016 £Nil)

Preservation rather than restoration was the key focus here. Bridgnorth bypass bridge will be mechanically prepared and repainted using a moss green high specification paint. Both Bewdley Bypass bridge and Bridgnorth bypass bridge will display the SVR logo.

Bridgnorth Station Development £40,000 (2016 £Nil)

Early donations to the Trust for the Bridgnorth development project and additional unrestricted funds enabled the Trust to support this historical venture from the outset.

Permanent way £30,000 (2016 £60,000)

At least half a mile of the SVR Permanent Way requires re-laying each year, but limited finances mean only the most deserving section can be renewed, and this takes place during the January/February shutdown period. As the track gradually deteriorates, there is a detrimental effect on the locomotives and carriages. The Trustees and I recognise the importance of this short and long-term investment in track renewal and we were again pleased to be able to contribute further to this essential work.

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**CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017**

Rolling stock £87,000 (2016 £18,000)

GWR Locomotive 4930 'Hagley Hall'

SVR's flagship loco continues its restoration. This year saw completion of the tender frames with all new steelwork now riveted into position at the rear of the structure. Painting was undertaken in earnest transforming the new tender tank from red ochre to a more authentic green undercoat.

Improving the SVR's wheelchair accessibility

The Department for Transport thought our plan to upgrade the SVR's wheelchair accessibility was so good they selected us for an award of £75,000 towards its costs. A Charitable Trust team travelled to London to make a 'Dragons Den' style presentation to the DfT judging panel, beating off intense competition from across the UK.

We devised the project in the knowledge that many of our passengers have mobility issues, so we are planning to properly accommodate them and their families when they visit.

We have also purchased new lightweight ramps for each of the SVR's fleet of wheelchair carriages, and early in 2018 work will start to convert carriage 80776 into a first-class wheelchair-accessible dining carriage. There will be a zigzag layout for the tables so that the accommodation will be as flexible as possible and, we believe the SVR's on-train wheelchair facilities will be the best in the heritage railway sector.

LNER 52255 Open Third Carriage

In a race against time, restoration work on this Gresley teak carriage was completed just in time for it to join the full rake of coaches hauled by Flying Scotsman for the iconic loco's visit to the SVR in September 2016. Its completion meant a complete re-jigging of the work schedule and the involvement of 50 or so volunteers. However, it all came together, in yet another triumph of SVR skills.

GWR 17410 'Toad' 20T Goods Brake Van

Based at Bewdley, the LNER Carriage Group were brave enough to take on the somewhat daunting task of restoring this Charitable Trust-owned GWR brake van. However, they are making good progress, both in terms of the work carried out and its fundraising.

LNER 24105 Open Third Carriage

This Charitable Trust owned wheelchair-accessible teak carriage, which had been in use on the SVR for 28 years, longer than its mainline passenger service for the LNER and British Rail Eastern, required an extensive refit. The cost of the work has been assisted by funds raised by Richard Hill. It requires a full set of new seats and tables, a re-working of the plumbing, simplified electrics and a major roof renovation.

Board of Trustees

Two new members have joined the Trustee Board, adding considerably to its strength.

Peter Copsey is a solicitor with expertise in property conveyance and negotiating agreements with third parties. He has significant experience of delivering on conservation projects with HLF involvement and advises a number of building conservation trusts. He will contribute to the review of our governance and policies, ensuring they are to the highest standards.

Ron Treverton-Jones is Chairman of EFG Harris Allday Stockbrokers, and brings sound investment and financial oversight experience to the endowment Future Fund in particular. Additionally, his extensive contacts and clients in the Midlands professional community and charity sectors will enable him to support our approaches to grant-making bodies in the region.

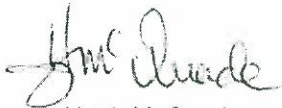
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CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

Outlook

The fundraising environment remains challenging, as uncertainties around Brexit and negative publicity around the charitable sector as a whole may hinder our efforts. We have been very fortunate to date in growing donations every year, but this is unlikely to prove sustainable in the longer term. Gifts in Wills will become essential in the very near future, and so we will be looking to our legacy marketing and receipts to increase in the coming years.

Finally, some notes of thanks. Firstly, to all of the Charitable Trust's donors who are the key to making sure our wonderful Railway continues to have a thriving present, and that it is, at the same time, firmly establishing a sustainable future. Secondly, to the volunteers who enable the Trust to do its work so well, both those who are Trustees, and those who help in the office and at events. You make all of this possible.



Name Hugh McQuade
Chairman

Date 15 January 2018

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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**FUNDRAISING CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017**

Fundraising Chairman's Statement

As we come to the end of the SVR Charitable Trust's first five years of existence, all those who have been involved will surely feel an immense sense of pride and satisfaction at what has been achieved in just half a decade.

The Charitable Trust took up the mantle of fundraising from the former SVR Rolling Stock Trust in 2012 and its remit was to increase the amount of money raised, to set up new income streams and to professionalise the way in which the business of fundraising was carried out at the Severn Valley Railway. In all of those areas, the SVR Charitable Trust has succeeded beyond anyone's expectations.

In the early days, we won the chance for half a million pounds of Heritage Lottery match funding. To get it, we had to raise another half a million pounds from supporters. This year, before the deadline to get all the money in had expired, we hit the target, securing £1 million for our endowment Future Fund. The fact that we set up this fund, and are continuing to grow it at an impressive rate is something that sets the SVR apart from most other heritage railways. The balance in the endowment currently stands at £1,166,771 and our intention is to grow this to at least £10 million so that the SVR's future financial burden will be alleviated.

In September 2016 we succeeded in staging an event that will stay in the memory of many people for a long time to come. The Charitable Trust hosted the first day of Flying Scotsman's visit to the SVR. Alongside this show-stopping event, we've held four fundraising charity race days, and have a fifth already planned for next year.

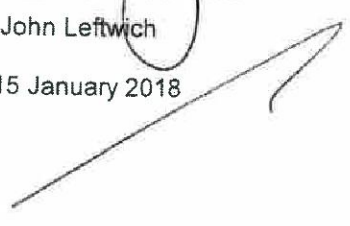
In the past year, two new recruits have joined the Board as Trustees, bringing with them extensive business acumen. The office team has expanded and now has dedicated people focussing on corporate engagement as well as PR and communications, and we enjoy a healthy supply of volunteer support.

The challenges facing the charitable sector are well known. Quite simply, there is less money about, and more competition to get a share of what there is. In the heritage rail sector in particular, we face tough competition for supporters and their cash. Other railways have the same issues as the SVR, of ageing rolling stock, infrastructure and personnel, and they too need to raise money to address these. By taking a professional, structured and respectful approach to the way we raise money, and use it to further the operational viability of the SVR, we believe we are, and will continue to be an example of best practice to the heritage rail sector, helping at the same time to secure the future of the Severn Valley Railway.



Name John Leftwich

Date 15 January 2018



SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 30 JUNE 2017

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 30 June 2017. The trustees have adopted the provisions of the Statement of Recommended Practice (Charities SORP (FRS 102) 'Accounting and Reporting by Charities'.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Severn Valley Railway Charitable Trust Limited, which changed its name from SVR Rolling Stock Trust Company on 29 June 2012, was incorporated and registered as a company limited by guarantee, company registration number 04341280, on 17 December 2001, and was registered with the Charity Commission on 1 July 2002, registration number 1092723. It is governed by its Memorandum and Articles of Association, which were last amended on 26 February 2014.

Method of appointment or election of trustees

There shall be a maximum of nine trustees unless otherwise determined by ordinary resolution of the members of the Charity. Of the nine trustees, two shall be ex officio the chairman of each of Severn Valley Railway (Holdings) plc and Severn Valley Railway Company Limited or if any such chairman does not wish to act as trustee, such other person nominated by such chairman to act as trustee. Such a trustee (whether a chairman or his nominee) shall be referred to an "ex officio trustee". Any person nominated by a chairman to act as a trustee may from time to time be removed and replaced by his appointor.

Trustees are elected for a three year period at the AGM by the members of the trust.

All the charity trustees receive an induction into their legal and administrative responsibilities, with an on-going training programme as and when needed for issues arising during their term of office.

Organisational structure and decision making

The Board of Trustees has delegated the day to day running of the charity to the senior management team. The Board of Trustees meets at least four times a year to review the charity's performance and administration generally and to decide policy issues arising.

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.

Principal Risks and Uncertainties

The Trustees endeavour to continually raise funds and to further support the Severn Valley Railway. The principal risks associated with the organisational activities are categorised as a loss of income mitigated by implementing strong and targeted marketing and fundraising strategies; financial fraud and error will be mitigated with robust processes and procedures which incorporate active segregation of duties and practices; lack of fundraising ability is mitigated with a dedicated fundraising team to deliver a targeted fundraising strategy.

OBJECTIVES AND ACTIVITIES

Policies and objectives

The objectives of the Severn Valley Railway Charitable Trust (SVR CT) are to advance education for the benefit of the public by:

Financing the acquisition, restoration, preservation and operation of heritage locomotives, coaches, wagons, buildings, track and other associated infrastructure.

Establishing buildings to house and preserve the Severn Valley Railway Charitable Trust rolling stock collection.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2017

Providing educational and interpretive displays for the travelling public.

Providing education and skills training used in the restoration, repair and operation of historic railways to ensure their long-term survival.

In setting the Charity's policy and planning its activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

FINANCIAL REVIEW

Reserves policy

The Reserves policy of the charity is to maintain a level of unrestricted funds, not committed or invested in tangible assets, which will enable the charity to ensure continuity of activity and have the ability to adjust, in a measured way, to any significant changes in resources. The Reserves policy recognises that reserves are necessary to maintain the day to day operations of the charity for a period of up to 6 months. This would currently equate to approximately £100,000. The appropriate measure of free reserves is therefore net assets, less restricted and designated funds, less fixed assets attributable to unrestricted funds. Currently this amount is £100,696.

Monthly management accounts are prepared by the Treasurer and submitted to the Officers and the Board of Trustees. The annual accounts are independently examined. It is considered that there is an adequate system of internal control in place.

A Strategic Plan and an annual budget are approved by the Trustees; Regular consideration by the Trustees of financial results, variance from budgets, non-financial performance indicators and benchmarking reviews. Delegation of authority and segregation of duties, and identification and management of risks. The Officers review external developments and consider the risks and opportunities these present to the charity in fulfilling its objects.

Investment policy

The Heritage Lottery Fund Catalyst: Endowment Fund is held in a managed fund by Brewin Dolphin.

The initial investment on 30 September 2015 amounted to £210,000 of donations towards the fund.

The Trustees aim is to achieve a balance between total return primarily through capital growth with a medium risk investment policy over the long term i.e. over a period 10 years or more. They seek to achieve long term growth of capital and income maintaining the value of both in real terms over time. A total return approach should be taken as it is likely that income will be accumulated for some years to establish a substantial Endowment Fund to safeguard the future of the SVR. At that time there may be an increasing income requirement to help to protect the Railway's rolling stock, bridges, viaducts, buildings, and other infrastructure and in so doing safeguard the future of the Railway.

The Trustees, in consultation with the Investment Manager, have agreed the following investment strategy:

The investment of the funds should follow a total return (excluding inflation) approach; aiming to generate income and capital growth in order to achieve the SVR Endowment Fund objective of growing the income and capital in real terms over time.

The Trustees have directed the Investment Manager that there are no specific investment restrictions but, whilst the investments are valued at less than £500,000 they expect the investments in any equity holdings to be through collectives in order to spread risk. If and when individual equities are included in the fund, no individual equity should exceed 5% of fund value. Equity collectives should be restricted to 10% of the fund unless otherwise agreed by the Investment Committee.

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2017

Brewin Dolphin have used the WMA Balanced Total Return Index to determine the value of the fund in real terms. It is measured by Brewin Dolphin and reported to the trustees who review the performance on a regular basis.

During the year, donations of £318,120 have been invested, including the initial £210,000 on 30 September 2015. Investment income of £14,628 has been generated during the year.

Key Management Personnel

Key management personnel are remunerated in line with sector averages. Salary reviews take place annually and are approved by the Trustees. Payment is made monthly in arrears.

PROVISION OF INFORMATION TO INDEPENDENT EXAMINER

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant accounts information of which the charitable company's independent examiner's are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's independent examiner's in connection with preparing their report and to establish that the charitable company's independent examiner's are aware of that information.

TRUSTEES RESPONSIBILITY STATEMENT

The Trustees (who are also directors of Severn Valley Railway Charitable Trust Limited 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 (United Kingdom Generally Accepted Accounting Practice).

Company and charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and 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 (FRS 102);
- make judgments 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.

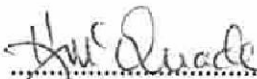
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2017

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by order of the board of trustees on 15 January 2018 and signed on its behalf by:


.....
H J McQuade
Trustee

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

Independent Examiner's Report to the Trustees of Severn Valley Railway Charitable Trust Limited

I report on the financial statements of the company for the year ended 30 June 2017 which are set out on pages 14 to 32.

This report is made solely to the company's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's Trustees as a body, for my work or for this report.

Respective Responsibilities of Trustees and Examiner

The Trustees, who are also the directors of the company for the purposes of company law, are responsible for the preparation of the financial statements. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the Act) and that an independent examination is needed. The company's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of ICAEW.

Having satisfied myself that the company is not subject to audit under charity or company law and is eligible for independent examination, it is my responsibility to:

- examine the financial statements under section 145 of the Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Act; and
- state whether particular matters have come to my attention.

Basis of Independent Examiner's Report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the company and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

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INDEPENDENT EXAMINER'S REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2017

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare financial statements which accord with the accounting records, Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) and in other respects comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities.
- have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Signed:



Dated:

30/1/2018

R D Darlaston FCA

Crowe Clark Whitehill LLP

Chartered Accountants

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income and endowments from:						
Donations and legacies	2	249,525	184,829	368,316	802,670	892,377
Fundraising	3	123,304	-	-	123,304	37,752
Investments	4	299	14,628	-	14,927	3,082
Total income and endowments		373,128	199,457	368,316	940,901	933,211
Expenditure on:						
Raising funds		189,733	-	-	189,733	100,151
Charitable activities		164,418	272,474	-	436,892	166,769
Total expenditure	9	354,151	272,474	-	626,625	266,920
Net income / (expenditure) before investment gains		18,977	(73,017)	368,316	314,276	666,291
Net gains on investments	13	-	-	107,753	107,753	16,320
Net income / (expenditure) before transfers		18,977	(73,017)	476,069	422,029	682,611
Transfers between Funds	17	(114,919)	114,919	-	-	-
Net income / (expenditure) before other recognised gains and losses		(95,942)	41,902	476,069	422,029	682,611
Net movement in funds		(95,942)	41,902	476,069	422,029	682,611
Reconciliation of funds:						
Total funds brought forward		375,988	159,626	690,702	1,226,316	543,705
Total funds carried forward		280,046	201,528	1,166,771	1,648,345	1,226,316

The notes on pages 17 to 32 form part of these financial statements.

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED

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REGISTERED NUMBER: 04341280

**BALANCE SHEET
AS AT 30 JUNE 2017**

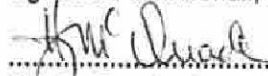
	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	12		154,915		157,368
Investments	13		1,126,391		692,961
			<u>1,281,306</u>		<u>850,329</u>
Current assets					
Stocks		3,333		3,333	
Debtors	14	79,051		26,182	
Cash at bank and in hand		311,418		395,966	
		<u>393,802</u>		<u>425,481</u>	
Creditors: amounts falling due within one year	15	(26,763)		(49,494)	
Net current assets			<u>367,039</u>		<u>375,987</u>
Net assets			<u><u>1,648,345</u></u>		<u><u>1,226,316</u></u>
Charity Funds					
Endowment funds	17		1,166,771		690,702
Restricted funds	17		201,528		159,626
Unrestricted funds	17		280,046		375,988
Total funds			<u><u>1,648,345</u></u>		<u><u>1,226,316</u></u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 15 January 2018 and signed on their behalf, by:


.....
H J McQuade, Chairman


.....
N C Paul CBE

The notes on pages 17 to 32 form part of these financial statements.

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	19	<u>261,598</u>	<u>620,629</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(20,469)	(35,043)
Proceeds from sale of investments		23,098	35,919
Purchase of investments		<u>(247,044)</u>	<u>(667,617)</u>
Net cash used in investing activities		<u>(244,415)</u>	<u>(666,741)</u>
Change in cash and cash equivalents in the year		17,183	(46,112)
Cash and cash equivalents brought forward		<u>416,474</u>	<u>462,586</u>
Cash and cash equivalents carried forward	20	<u><u>433,657</u></u>	<u><u>416,474</u></u>

There are restricted funds held as cash amounts of £186,900 (2016: £159,626).

The notes on pages 17 to 32 form part of these financial statements.

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

1. Accounting Policies

1.1 Company status

The Severn Valley Railway Charitable Trust Limited is a company limited by guarantee in England, whose registered office is Number One, Comberton Place, Kidderminster, Worcestershire, DY10 1QR. The companies registered number is 04341280. The members of the company are the Trustees named on page 1. In the event of the Severn Valley Railway Charitable Trust Limited being wound up, the liability in respect of the guarantee is limited to £1 per member of the Severn Valley Railway Charitable Trust Limited.

1.2 Basis of preparation of financial statements

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 (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Severn Valley Railway Charitable Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.3 Going concern

The company has cash resources and has no requirement for external funding. The trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

1.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs 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.

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

1. Accounting Policies (continued)

1.5 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

1. Accounting Policies (continued)

1.7 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Artefacts	- 10% straight line
Rolling stock	- 10% straight line
Office equipment	- 33% straight line

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities incorporating income and expenditure account.

The Heritage Lottery Fund Catalyst: Endowment Fund is held in a managed fund by Brewin Dolphin.

1.9 Investment Income

Income generated from the Heritage Lottery Fund Catalyst: Endowment fund is treated as restricted income. The income is restricted to the restoration of rolling stock.

1.10 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

1. Accounting Policies (continued)

1.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.14 Role of Volunteers

The charity relies on the efforts of its volunteers. The value of these volunteers is not incorporated within the accounts.

1.15 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2. Income from donations and legacies

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	236,954	69,997	167,966	474,917	601,041
Income tax reclaimable	12,571	7,359	39,891	59,821	28,193
Grants	-	107,473	160,459	267,932	263,143
Total donations and legacies	249,525	184,829	368,316	802,670	892,377
Total 2016	561,965	68,445	261,967	892,377	

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

3. Fundraising income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds 2016 £
Fundraising income	123,304	-	-	123,304	37,752
	<u>123,304</u>	<u>-</u>	<u>-</u>	<u>123,304</u>	<u>37,752</u>
Total 2016	<u>37,752</u>	<u>-</u>	<u>-</u>	<u>37,752</u>	

4. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds 2016 £
Dividend income	-	14,628	-	14,628	2,833
Interest receivable	299	-	-	299	249
	<u>299</u>	<u>14,628</u>	<u>-</u>	<u>14,927</u>	<u>3,082</u>
Total 2016	<u>249</u>	<u>-</u>	<u>2,833</u>	<u>3,082</u>	

5. Costs of raising funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £	Total funds 2016 £
Fundraising costs	69,130	-	-	69,130	19,506
Support costs	5,269	-	-	5,269	5,552
Staff costs	107,147	-	-	107,147	71,763
Support costs - depreciation	303	-	-	303	195
	<u>181,849</u>	<u>-</u>	<u>-</u>	<u>181,849</u>	<u>97,016</u>
Total 2016	<u>96,266</u>	<u>750</u>	<u>-</u>	<u>97,016</u>	

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

6. Charitable activities

	Charitable activities £	Total 2017 £	Total 2016 £
Railway restoration	247,348	247,348	115,343
Engineering academy	165,125	165,125	35,000
Depreciation	22,619	22,619	14,452
	<u>435,092</u>	<u>435,092</u>	<u>164,795</u>
<i>At 30 June 2016</i>	<u>164,795</u>	<u>164,795</u>	

7. Support costs

	2017 £	2016 £
Professional fees	800	2,250
Telephone, postage & stationery	2,617	2,120
Travel and subsistence	763	772
Bank charges	691	390
Insurance	263	-
Training	135	20
Wages and salaries	53,294	26,237
Depreciation	303	195
Total	<u>58,866</u>	<u>31,984</u>

8. Management and administration

	Charitable activities £	Total 2017 £	Total 2016 £
Independent examination fees	1,800	1,800	1,974
<i>At 30 June 2016</i>	<u>1,974</u>	<u>1,974</u>	

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

9. Analysis of Expenditure by expenditure type

	Staff costs 2017 £	Depreciation 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Costs of generating voluntary income	107,147	303	74,399	181,849	97,016
Investment management costs	-	-	7,884	7,884	3,135
Costs of generating funds	107,147	303	82,283	189,733	100,151
Railway restoration and education	-	22,619	412,473	435,092	164,795
Management and administration	-	-	1,800	1,800	1,974
	107,147	22,922	496,556	626,625	266,920
<i>Total 2016</i>	<i>71,763</i>	<i>14,647</i>	<i>180,510</i>	<i>266,920</i>	

10. Net income/(expenditure)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	22,922	14,647

During the year, no Trustees received any remuneration (2016 - £NIL).

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2016 - £NIL).

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

11. Staff costs

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	<u>107,147</u>	<u>71,763</u>

The average number of persons employed by the company during the year was as follows:

	2017 No.	2016 No.
	4	3

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the charity is the Director of Development. The total benefits of key management personnel of the charity were £53,853 (2016: £45,526).

12. Tangible fixed assets

	Artefacts £	Rolling stock £	Office equipment £	Total £
Cost				
At 1 July 2016	3,445	204,750	1,097	209,292
Additions	-	20,000	469	20,469
At 30 June 2017	<u>3,445</u>	<u>224,750</u>	<u>1,566</u>	<u>229,761</u>
Depreciation				
At 1 July 2016	1,677	49,507	740	51,924
Charge for the year	344	22,275	303	22,922
At 30 June 2017	<u>2,021</u>	<u>71,782</u>	<u>1,043</u>	<u>74,846</u>
Net book value				
At 30 June 2017	<u>1,424</u>	<u>152,968</u>	<u>523</u>	<u>154,915</u>
At 30 June 2016	<u>1,768</u>	<u>155,243</u>	<u>357</u>	<u>157,368</u>

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

13. Fixed asset investments

	Listed securities £	Shares in SVR (Holdings) Plc £	Total £
Market value			
At 1 July 2016	668,526	24,435	692,961
Additions	247,044	-	247,044
Disposals	(23,098)	-	(23,098)
Revaluations	107,753	-	107,753
Movements in cash held by Broker	101,731	-	101,731
	<u>1,101,956</u>	<u>24,435</u>	<u>1,126,391</u>
At 30 June 2017			

Investments at market value comprise:

	2017 £	2016 £
Listed securities	1,101,956	668,526
Market value of shares held in SVR (Holdings) Plc	24,435	24,435
Total market value	<u>1,126,391</u>	<u>692,961</u>

All the fixed asset investments are held in the UK

During the year, donations of £318,120 (2016: £651,141) have been received in respect of the endowment fund. This amount has been transferred into the Broker account for Brewin Dolphin to invest in line with the investment policy. Investment income of £14,628 (2016: £2,833) has been generated during the year.

14. Debtors

	2017 £	2016 £
Other debtors	<u>79,051</u>	<u>26,182</u>

15. Creditors: Amounts falling due within one year

	2017 £	2016 £
Accruals and deferred income	<u>26,763</u>	<u>49,494</u>

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

15. Creditors: Amounts falling due within one year (continued)

	£
Deferred income	
Deferred income at 1 July 2016	28,820
Resources deferred during the year	-
Amounts released from previous years	(28,820)
	<u> </u>
Deferred income at 30 June 2017	<u> </u>

£Nil (2016: £28,820) was deferred in June 2017 as the income related to advanced ticket sales for events after the year end.

16. Financial instruments

	2017 £	2016 £
Financial assets measured at fair value through income and expenditure	1,437,809	1,088,927
Financial assets measured at amortised cost	79,051	26,182
	<u>1,516,860</u>	<u>1,115,109</u>
Financial liabilities measured at amortised cost	<u>26,763</u>	<u>20,674</u>

Financial assets measured at fair value through income and expenditure comprise listed investments, shares in SVR (Holdings) Plc and cash at bank and in hand.

Financial assets measured at amortised cost comprise other debtors.

Financial liabilities measured at amortised cost comprise accruals.

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

17. Statement of funds

Statement of funds - current year

	Balance at 1 July 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 30 June 2017 £
Unrestricted funds						
General Funds	375,988	373,128	(354,151)	(114,919)	-	280,046
Endowment funds						
Heritage Lottery Fund Catalyst: Endowments fund	690,702	368,316	-	-	107,753	1,166,771
Restricted funds						
Hinton Manor 7819	12,363	976	-	-	-	13,339
LNER Restaurant						
Composite 7960	994	757	(1,652)	-	-	99
Mark 1 TSO 4509	2,791	-	-	-	-	2,791
LMS & BR Coach Department	16,238	5,817	(3,974)	-	-	18,081
LNER Coach 52255	946	-	-	-	-	946
LNER Coach Department	5,779	11,582	(16,623)	-	-	738
Hagley Hall 4930	93,970	6,236	(50,000)	-	-	50,206
Diesel Facility	1,786	3,708	(190)	-	-	5,304
Engineering Academy	24,081	35,217	(165,125)	105,919	-	92
Diesel Shunter 'Silver Spoon'	290	-	-	-	-	290
Toad Brake Van A17410	138	7,185	(9,710)	9,000	-	6,613
Bridgnorth Station Restoration Fund	250	20,173	(20,000)	-	-	423
Bridgnorth Turntable Fund	-	18,178	-	-	-	18,178
Disabled Dining & Travel Facilities Fund	-	75,000	(5,200)	-	-	69,800
Heritage Lottery Fund Catalyst: Restricted Fund	-	14,628	-	-	-	14,628
	159,626	199,457	(272,474)	114,919	-	201,528
Total of funds	1,226,316	940,901	(626,625)	-	107,753	1,648,345

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 July 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 30 June 2016 £
Unrestricted funds						
General Funds	182,608	599,966	(206,586)	(200,000)	-	375,988
	<u>182,608</u>	<u>599,966</u>	<u>(206,586)</u>	<u>(200,000)</u>	<u>-</u>	<u>375,988</u>
Endowment funds						
Heritage Lottery Fund Catalyst: Endowments fund	209,582	264,800	-	200,000	16,320	690,702
	<u>209,582</u>	<u>264,800</u>	<u>-</u>	<u>200,000</u>	<u>16,320</u>	<u>690,702</u>
Restricted funds						
Hinton Manor 7819	11,227	1,136	-	-	-	12,363
LNER Restaurant						
Composite 7960	388	750	(144)	-	-	994
Mark 1 TSO 4509	2,791	-	-	-	-	2,791
LMS & BR Coach Department	10,877	5,677	(316)	-	-	16,238
LNER Coach 52255	1,173	-	(227)	-	-	946
LNER Coach Department	15,038	6,825	(16,084)	-	-	5,779
Hagley Hall 4930	79,049	15,671	(750)	-	-	93,970
Diesel Facility	6,869	2,518	(7,601)	-	-	1,786
Engineering Academy	24,103	34,978	(35,000)	-	-	24,081
Diesel Shunter 'Silver Spoon'	-	400	(110)	-	-	290
Toad Brake Van A17410	-	240	(102)	-	-	138
Bridgnorth Station Restoration Fund	-	250	-	-	-	250
	<u>151,515</u>	<u>68,445</u>	<u>(60,334)</u>	<u>-</u>	<u>-</u>	<u>159,626</u>
Total of funds	<u>543,705</u>	<u>933,211</u>	<u>(266,920)</u>	<u>-</u>	<u>16,320</u>	<u>1,226,316</u>

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Summary of funds - current year

	Balance at 1 July 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 30 June 2017 £
General funds	375,988	373,128	(354,151)	(114,919)	-	280,046
Endowment funds	690,702	368,316	-	-	107,753	1,166,771
Restricted funds	159,626	199,457	(272,474)	114,919	-	201,528
	<u>1,226,316</u>	<u>940,901</u>	<u>(626,625)</u>	<u>-</u>	<u>107,753</u>	<u>1,648,345</u>

Summary of funds - prior year

	Balance at 1 July 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 30 June 2016 £
General funds	182,608	599,966	(206,586)	(200,000)	-	375,988
Endowment funds	209,582	264,800	-	200,000	16,320	690,702
Restricted funds	151,515	68,445	(60,334)	-	-	159,626
	<u>543,705</u>	<u>933,211</u>	<u>(266,920)</u>	<u>-</u>	<u>16,320</u>	<u>1,226,316</u>

HLF Catalyst Endowment

This is an endowment fund for the purpose of creating future income for the Trust for the continuance of its activities. Monies raised were match funded by Heritage Lottery Fund (HLF) up to a maximum of £500,000 which has been reached.

Hinton Manor 7819

This is a restricted fund for the purpose of returning the locomotive to service.

**LNER Restaurant
Composite 7690**

This is a restricted fund for the purpose of restoring the vehicle to service.

Mark 1 TSO 4509

This is a restricted fund for the purpose of completion of restoration.

**LMS & BR Coach
Department**

This is a restricted fund for the purpose of restoring LMS & BR built vehicles to original condition.

LNER Coach 52255

This is a restricted fund for the purpose of improving LNER coach 52255.

LNER Coach Department

This is a restricted fund for the purpose of restoring LNER built vehicles to original condition.

Hagley Hall 4930

This is a restricted fund for the purpose of restoring the locomotive 4930 'Hagley Hall' to service.

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

Diesel Facility	This is a restricted fund to provide a purpose built facility for the restoration and maintenance of diesel locomotives.
Engineering Academy	This is a restricted fund for the purpose of providing training in railway engineering skills.
Diesel Shunter 'Silver Spoon'	This is a restricted fund for the purpose of restoring the locomotive to service
Toad Brake Van A17410	This is a restricted fund for the purpose of restoring the vehicle to service.
Bridgnorth Station Restoration Fund	This is a restricted fund for the purpose of restoring the station.
Bridgnorth Turntable Fund	This is a restricted fund for the purpose of restoring the turntable.
Disabled Dining & Travel Facilities Fund	This is a restricted fund for the purpose of providing dining facilities for disabled passengers.
HLF Catalyst Restricted	This is a restricted fund for the dividends received on the investments held by Brewin Dolphin. The funds are restricted for the purpose of preserving the Severn Valley Railway Rolling Stock.

The transfer from unrestricted funds to restricted funds was to offset the deficit in the Engineering Academy Fund and the Toad Brake Fund that amounted during the year. These deficits arose as a result of additional expenditure incurred beyond the level of funding secured. The charity held sufficient unrestricted reserves to allow the transfer of funds without conflicting with the charity's reserves policy.

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £
Tangible fixed assets	154,915	-	-	154,915
Fixed asset investments	24,435	-	1,101,956	1,126,391
Current assets	127,459	201,528	64,815	393,802
Creditors due within one year	(26,763)	-	-	(26,763)
	<u>280,046</u>	<u>201,528</u>	<u>1,166,771</u>	<u>1,648,345</u>

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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2016 £</i>	<i>Restricted funds 2016 £</i>	<i>Endowment funds 2016 £</i>	<i>Total funds 2016 £</i>
Tangible fixed assets	157,368	-	-	157,368
Fixed asset investments	24,435	-	668,526	692,961
Current assets	243,679	159,626	22,176	425,481
Creditors due within one year	(49,494)	-	-	(49,494)
	<u>375,988</u>	<u>159,626</u>	<u>690,702</u>	<u>1,226,316</u>

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2017 £	2016 £
Net income for the year (as per Statement of Financial Activities)	422,029	682,611
Adjustment for:		
Depreciation charges	22,922	14,647
Changes in market valuation	(107,753)	(16,320)
(Increase)/decrease in debtors	(52,869)	16,991
Decrease in creditors	(22,731)	(9,902)
Donated goods	-	(67,398)
Net cash provided by operating activities	<u>261,598</u>	<u>620,629</u>

20. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	311,418	395,966
Cash held by Broker	122,239	20,508
Total	<u>433,657</u>	<u>416,474</u>

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21. Related party transactions

During the year the charity donated £412,473 (2016: £145,750) to Severn Valley Railway Plc. The charity also purchased carriages for £nil (2016: £9,600) from Severn Valley Railway Holdings Plc.

Included with creditors is an amount of £8,008 (2015: £5,134) owed to Severn Valley Railway Holdings Plc which relates to recharges.

The Charity purchased a saloon for £20,000 (2016: NIL) from Severn Valley Railway Association, Wolverhampton Branch.

During the year Severn Valley Railways Association, Wolverhampton Branch donated £19,900 (2016: NIL) to the charity.