

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 2018

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 30 JUNE 2018**

Trustees

H J McQuade, Chairman
J Leftwich
D E Mead
N C Paul CBE
R Scanlon
D C Williams
P B Copsey
R Treverton-Jones
A D Owen OBE (appointed 15 October 2018)

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 U.K. 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

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CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018

The financial year ended 30 June 2017 was a momentous year for donations for the Future Fund Endowment and the associated Heritage Lottery Fund match funding grant for the Endowment Fund, the Flying Scotsman event and legacies. The above three activities totalled £560,000 net income.

We started this financial year with no known legacies in administration, no HLF endowment match and no large event to compare with the Flying Scotsman. The SVR (Holdings) Company was also marketing the Share Offer to secure financial support to develop Bridgnorth Station. Based on these factors we started the year with a budget income of £488,000, some £430,000 less than the actual income secured the previous year. As the year progressed and we received an encouraging response to the Falling Sands appeal, and with £370,000 from donations in Wills, we were delighted to finish the year with income of £993,653, giving a net income before charitable donations of £782,129.

Fundraising Summary

Having intensified the Trust's Endowment fundraising in May and June 2017 and with the ongoing Share Offer appeal for Bridgnorth Station from the SVR (Holdings) Plc, the Trust wanted to considerably scale down the level of funding requests to our supporters. We therefore invested the first half of the year building the legacy marketing, developing our corporate relationships, increasing our grant funding applications, delivering donor thank you days and creating three promotional films.

In March 2018 we created and launched the Falling Sands Viaduct appeal to raise £275,000 match funding to support the £1M application to the Heritage Lottery Fund. A suite of promotional materials was created, including a dedicated film, bookmarks, car stickers and postcards to encourage donor's friends to also give. Members, Shareholders and donors were encouraged to donate £50 to the appeal and have their name on a dedicated donation wall for the appeal. During the last quarter 1,500 donors gave to the appeal, and whilst extremely pleased with the success, it put a huge strain on the administration of the appeal, thanking donors and banking income. In addition the Fundraising Administrator left and whilst we had recruited cover for the role, the training and bedding in period caused further upheaval into the first quarter of 2018-19.

In order to strengthen the Falling Sands Viaduct application to the Heritage Lottery Fund, we progressed the interpretation and community engagement element of the application, recruiting a dedicated consultant to reinforce and build the interpretation and community engagement element of the project. In addition, an overarching project manager with considerable HLF experience was recruited.

Claire Engleheart joined as Trust Fundraiser in September 2017 and was quick to submit a healthy pipeline of grant applications, however, with the corporate fundraiser leaving February 2018, Claire also lead on corporate fundraising and the annual race day at Worcester, hence focus on trust applications was reduced in the last quarter, April-June 2018.

Legacy marketing progressed well with a suite of new fundraising materials and communications which received positive feedback from many SVR stakeholders.

A film highlighting the impact legacies have had on the SVR over the past 50 years and the importance they will have over the next 50 years was kindly produced free of charge by renowned creative agency DRP, our grateful thanks to Dale Parmenter, CEO of the DRP Group.

Legacy income was strong at just over £370,000, this reflects the early legacy fundraising the Trust undertook when it was created in 2012, and we envisage this income stream increasing significantly over the coming years. The percentage of total income raised from legacies was 42% compared with 30% of the total fundraising income in the previous year.

Lesley Carr, working with volunteer Amy Baker, delivered a step increase in communications to traditional and new audiences, through social media and e-newsletters to our growing database, now standing at 8,500.

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FOR THE YEAR ENDED 30 JUNE 2018**

We continued to receive funding from an array of organisations and we are particularly grateful to the organisations below who have given or pledged to give significant financial support in the past year:

Grant Making Bodies

Heritage Lottery Fund	Hayes Family Living Trust	EJT Memorial Fund
Department for Transport	Bransford Trust	Hendy & Pendle Charitable Trust
Saintbury Trust	Owen Family Trust	Lady Forester Trust
Grantham Yorke Trust	RD Turner Trust	Grimmitt Trust
Ian Addison Charitable Foundation	Baron Davenport's Charity	

Companies & Groups

hotelshopUK Ltd	Nock Deighton	TXM Plant Ltd
Allelys Heavy Haulage Ltd	Bewdley Brewery Ltd	Coalyard Miniature Railway
mfg Solicitors LLP	West Midland Safari Park	Walsh Construction Ltd
Thursfield Solicitors	Arthur J Gallagher & Co.	Hingley & Callow Oils Ltd
First Service Frozen Foods	Higgs & Sons Solicitors	HSBC
Menzies Nunn Ltd	Phillip Dennis Foodservice	Severn Trent Water
Caldo Oils Ltd		

Gifts in Wills

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.

Harry Careless	John T Hughes	Douglas Glen Macfarlane
Diana Meadows	Marinus Mouw	Reginald Henry Piper
Anthony William Pratley	Stephen Roberts	Geoffrey Woolard
Trevor Allan Young		

Project Funding & Restoration during 2017-2018

Endowment

Our Future Fund Endowment is a long-term endowment, and its purpose is to provide a steady funding stream to help protect and preserve the SVR's rolling stock, infrastructure and strengthen its educational offerings, thereby safeguarding the future of the Railway.

The Future Fund is invested in a portfolio, professionally managed by Brewin Dolphin Limited and overseen by an Investment committee, consisting of two Trustees, an external representative and the Trust's Director of Development, the committee meet twice a year. The Future Fund received a fantastic kick-start, thanks to match funding from the Heritage Lottery Fund. They generously offered to match up to £500,000 of donations, pound for pound, to allow us to raise the first £1 million for the Future Fund, this was reached in May 2017. Although the HLF match funding offer has now ended, we are still actively welcoming donations to the endowment Future Fund. To date a total of £1,046,744.54 has been invested. As at 30 June 2018 the Portfolio valuation was £1,245,903.

Heritage Skills Training Academy 2018 £63,000. (2017 £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 in the UK. Since the Academy was established, the Trust has played a key role in its funding and currently contributes the majority of its running costs.

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FOR THE YEAR ENDED 30 JUNE 2018**

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 2018 £5,200. (2017 £0. 2016 £37,600)

Additional funds were given to SVR's purpose-built diesel maintenance depot. The Depot boasts two inspection pits, lifting jacks and a 10 tonne overhead travelling crane. Most of the SVR's diesel locomotives are over 50 years old, three are more senior than our newest steam locomotives.

Infrastructure

Bridgnorth Station Development 2018 £35,000. (2017 £40,000. 2016 £0)

The SVR Holdings plc's share offer in support of the Bridgnorth Development Project was a resounding success, raising more than £2.5million. This project is based around the transformation of visitor facilities at our northern terminus. The Charitable Trust has also contributed towards what is the biggest redevelopment project in the SVR's history. Work commenced with the construction of a GWR-style refreshment room and toilet facilities. The next phase of the project will include the installation of a restored turntable at Bridgnorth, improved car parking and improvements to the Grade II listed station building.

Permanent Way 2018 £49,000. (2017 £30,000. 2016 £60,000)

The Charitable Trust has once again contributed to essential work on the permanent way. At County Boundary, 240 feet of track was stabilised, by replacing the top layer of ballast and re-laying the track on top. This was the final part of the huge remedial project that took place over many months during 2017, following a serious landslide.

There was also significant activity on both sides of the Bewdley tunnel; ballast was replaced in the cutting on the Kidderminster side, and on the Bewdley side the ballast was cleaned along a half-mile stretch. Meanwhile in Kidderminster, a volunteer team carried out improvements to the track in the carriage shed yard.

Kidderminster Carriage Shed 2018 £23,000. (2017 £0. £2016 £0)

The old-fashioned and inefficient lighting in the Carriage Shed was badly in need of upgrading. It has now been replaced with modern LED lights, that not only give a better level of lighting but will also lead to electricity cost savings of around 75%. Better lighting will help many of our volunteers who struggle to see in poor lighting conditions, and will further enable painting and other restoration work to take place in the Carriage Shed, thereby increasing our capacity for projects.

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FOR THE YEAR ENDED 30 JUNE 2018**

Rolling stock 2018 £136,594. (2017 £87,000. 2016 £18,000)

GWR Diner Carriage 9615

At Bewdley, carriage & wagon staff are undertaking a Charitable Trust-funded labour of love to restore the GWR kitchen dining car, 9615. It's been a painstaking process to replace rotten timbers and framework. To keep the roof supported, the team could only remove one section at a time. This time-consuming and tricky job meant using the removed rotten section as a template for the new replacement. The team will move on to repair the roof and metal skin, as well as refitting the glass in the windows and rebuilding the doors.

The next stage will be to design and procure a kitchen that not only looks authentic, but also meets current health regulations.

Carriage Vandalism

On Boxing Day 2017, the whole of the SVR was reeling. Vandals had attacked two of our beautiful heritage carriages, by spraying paint along their sides. Staff began the long, hard task of removing the paint by hand, and re-applying gold leaf and painted lining to the teak-bodied GNR 2701. At the same time we launched a flash appeal through extensive TV, radio and press coverage, and frequent posts on social media. Within a week we sailed past our target of £10,000, raising £13,000 as a result.

Accessibility for all projects

As part of our initiative to improve accessibility at the SVR, carriage 80776 moved to the Kidderminster paint shop to begin its transformation into a unique dining carriage for wheelchair users and their companions. The finished coach will have an innovative zigzag table layout, to accommodate a flexible number of wheelchair users and their companions. The dining car is part of a larger accessibility project that includes the restoration of 4399 into a wheelchair-accessible coach and the purchase of lightweight ramps to equip all of the SVR's wheelchair coaches. This project was awarded a total of £75,000 funding from the Department for Transport.

GWR Locomotive 4930 Hagley Hall

The project to restore the SVR's former flagship locomotive took a major step forward during the year, as the boiler travelled to Stockton for overhaul. With the casting of the new cylinders completed, the first we understand to be cast for a Hall class locomotive for sixty years, there's clear evidence that Hagley Hall's return to steam is now well underway. The restoration is benefitting from £95,000 of funding from the Heritage Lottery Fund, as well as the commendable fundraising activities of The Friends of Locomotive 4930 Hagley Hall.

GWR 17410 Toad A 20T Goods Brake Van

The volunteers of the LNER Carriage Group at Bewdley completed their restoration work on the Charitable Trust's GWR Toad Brake Van No 17410, then the van moved to Kidderminster Carriage & Wagon for a professional brake overhaul, and wheel re-profiling. The restored Toad made its debut at the Goods Gala in June 2018, and it is hoped the van will earn further revenue providing brake van rides at special events, and taking part in film work.

Summary

The fundraising environment reflects the challenge society is experiencing, further cemented with the continued uncertainties around Brexit, and with this in mind I am particularly humbled by the level of support we have received this year.

With less funding available from statutory bodies, charities previously reliant on this source of funding are turning to other fundraising income streams like events, individual giving, community fundraising and corporate support, further populating an already competitive space.

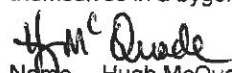
Many larger charities are able to invest in the latest technology to identify and communicate with possible funders, sadly not an option for smaller charities, however, the smaller charity is able to offer a more personalised experience to giving, and although this is much more time intensive we are able to give donors a stronger level of engagement and involvement in our cause. Here at the Severn Valley Railway Charitable Trust

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FOR THE YEAR ENDED 30 JUNE 2018**

We actively recruit volunteers to assist us in our fundraising, having an equal percentage of paid and volunteer staff. Thus assisting in keeping our fundraising costs as low as possible and ultimately a greater percentage of each £1 we raise goes directly to help support the Severn Valley Railway.

To finish I would like to personally thank every donor, who are all part of the growing supporter base that is helping to ensure our beloved Railway continues to flourish, enabling ¼ million visitors a year to immerse themselves in a bygone era of steam. Thank you.



Name Hugh McQuade
Chairman

Date 4th MARCH 2019

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 30 JUNE 2018

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 2018. 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.

Severn Valley Railway Charitable Trust was established to help the SVR achieve its vision for the next 50 years, so that come the Centenary celebrations in 2065, the railway will have continued to move forward in meeting the needs of future generations. The Trust achieves these aims by raising funds for and making payments to projects run by SVR (Holdings) Plc.

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.

The Charity Commission has recommended a new governance code for charities in July 2017. The trustees are aware of the principles and practices and will be working to fully implement them during the 2019 financial year.

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:

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2018

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.

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.

The charity has a strong network of volunteers with experience in a range of areas. The Trustees are very appreciative of the support provided by the volunteers as they are essential to allowing the Trust to perform its charitable activities.

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 £140,000. 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 £179,394.

At the balance sheet date the charity had unrestricted reserves of £360,273, designated unrestricted reserves of £106,663, restricted reserves of £402,795 and endowment funds of £1,228,591

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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2018

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.

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, £77,484 has been invested, including the initial £210,000 on 30 September 2015. Investment income of £26,495 has been generated during the year.

Fundraising Policy

The Severn Valley Railway Charitable Trust Limited relies heavily on fundraising initiatives to support its charitable activities. The charity sought to change the focus of these initiatives away from the Trusts supporters. The Trust has employed a Trust fundraiser from September 2017 to co-ordinate grant applications. The trust also received good support from corporate partners and individuals.

- The Severn Valley Railway Charitable Trust is a voluntary member of the Information Commission Office and a member of the Fundraising Regulator
- The Charity is not aware of any failure by the Charity, or by any person acting on its behalf, to comply with fundraising standards or scheme.
- Fundraising standards are monitored on an ongoing basis by the Director of Development.
- No complaints were received by the Severn Valley Railway Charitable Trust.
- A safeguarding policy is being drafted. In addition all fundraising messages are not intrusive and supporters are contacted on an infrequent basis for a mix of messages which include feedback on the impact of their donation and light requests for funding additional projects. Collection pots are not shaken and are static around the railway giving people the option of donating. We do not practice telephone fundraising or face to face fundraising. Opt outs of communications are present on all communications.

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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2018

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.

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 4th March 2019 and signed on its behalf by:


.....
H. McQuade
Trustee

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 30 JUNE 2018**

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

I report to the charity Trustees on my examination of the accounts of the company for the year ended 30 June 2018.

This report is made solely to the company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.

Responsibilities and Basis of Report

As the Trustees of the company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the company's accounts 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.

Independent Examiner's Statement

Since the company'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 (enter body here), which is one of the listed bodies.

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

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; 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).

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.

Signed: 
Kerry Brown FCA

Dated: 13 March 2019

Crowe U.K. 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 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income and endowments from:						
Donations and legacies	2	507,216	344,419	11,391	863,026	802,670
Fundraising	3	103,807	-	-	103,807	123,304
Investments	4	325	26,495	-	26,820	14,927
Total income and endowments		611,348	370,914	11,391	993,653	940,901
Expenditure on:						
Raising funds	5	211,524	-	-	211,524	154,729
Charitable activities	7,9	200,817	181,764	-	382,581	471,896
Total expenditure	5	412,341	181,764	-	594,105	626,625
Net income before investment gains		199,007	189,150	11,391	399,548	314,276
Net gains on investments	13	-	-	50,429	50,429	107,753
Net income before transfers		199,007	189,150	61,820	449,977	422,029
Transfers between Funds	17	(12,117)	12,117	-	-	-
Net income before other recognised gains and losses		186,890	201,267	61,820	449,977	422,029
Net movement in funds		186,890	201,267	61,820	449,977	422,029
Reconciliation of funds:						
Total funds brought forward		280,046	201,528	1,166,771	1,648,345	1,226,316
Total funds carried forward		466,936	402,795	1,228,591	2,098,322	1,648,345

The notes on pages 15 to 31 form part of these financial statements.

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REGISTERED NUMBER: 04341280

BALANCE SHEET
AS AT 30 JUNE 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	12		156,444		154,915
Investments	13		1,270,339		1,126,391
			<u>1,426,783</u>		<u>1,281,306</u>
Current assets					
Stocks		3,333		3,333	
Debtors	14	103,692		79,051	
Cash at bank and in hand		589,036		311,418	
			<u>696,061</u>	<u>393,802</u>	
Creditors: amounts falling due within one year	15	(24,522)		(26,763)	
Net current assets			<u>671,539</u>		<u>367,039</u>
Net assets			<u>2,098,322</u>		<u>1,648,345</u>
Charity Funds					
Endowment funds	17		1,228,591		1,166,771
Restricted funds	17		402,795		201,528
Unrestricted funds	17		466,936		280,046
Total funds			<u>2,098,322</u>		<u>1,648,345</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 ²⁴ March 2019 and signed on their behalf, by:


H J McQuade, Chairman


N C Paul CBE

The notes on pages 15 to 31 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 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	19	372,014	261,598
Cash flows from investing activities:			
Purchase of tangible fixed assets		(877)	(20,469)
Proceeds from sale of investments		102,290	23,098
Purchase of investments		(267,115)	(247,044)
Net cash used in investing activities		(165,702)	(244,415)
Change in cash and cash equivalents in the year		206,312	17,183
Cash and cash equivalents brought forward		433,657	416,474
Cash and cash equivalents carried forward	20	639,969	433,657

There are restricted funds held as cash amounts to £458,479 (2017: £186,900).

The notes on pages 15 to 31 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 2018**

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.

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.

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the 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 2018**

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.

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
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

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 endowment income, unless it relates to any unapplied total return. If this is the case, the income is treated as restricted and held in a separate fund of the same name. 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 2018**

1. Accounting Policies (continued)

1.12 Financial instruments

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at transaction price.

Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

There are no complex financial instruments.

1.13 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

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 judgement

Estimates and judgements 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.

Critical areas of judgement:

- i) Valuation of the rolling stock which is based on past experience and expert knowledge.

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

2. Income from donations and legacies

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations and legacies	493,639	209,267	9,426	712,332	474,917
Income tax reclaimable	13,577	35,752	1,965	51,294	59,821
Grants	-	99,400	-	99,400	267,932
	<u>507,216</u>	<u>344,419</u>	<u>11,391</u>	<u>863,026</u>	<u>802,670</u>
Total donations and legacies					
	<u>507,216</u>	<u>344,419</u>	<u>11,391</u>	<u>863,026</u>	<u>802,670</u>
Total 2017	249,525	184,829	368,316	802,670	

3. Fundraising income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
Fundraising income	103,770	-	-	103,770	123,304
Income tax reclaimable	37	-	-	37	-
	<u>103,807</u>	<u>-</u>	<u>-</u>	<u>103,807</u>	<u>123,304</u>
Total 2017	123,304	-	-	123,304	

4. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
Dividend income	-	26,495	-	26,495	14,628
Interest receivable	325	-	-	325	299
	<u>325</u>	<u>26,495</u>	<u>-</u>	<u>26,820</u>	<u>14,927</u>
Total 2017	299	14,628	-	14,927	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

5. Analysis of Expenditure by expenditure type

	Staff costs 2018 £	Depreciation 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Costs of generating voluntary income (note 6)	88,858	554	111,232	200,644	146,845
Investment management costs	-	-	10,880	10,880	7,884
Costs of raising funds	88,858	554	122,112	211,524	154,729
Charitable activities: Railway restoration and education (note 7)	15,213	23,794	317,374	356,381	448,555
Management and administration (note 9)	24,340	-	1,860	26,200	23,341
	128,411	24,348	441,346	594,105	626,625
<i>Total 2017</i>	<i>107,147</i>	<i>22,922</i>	<i>496,556</i>	<i>626,625</i>	

6. Costs of generating voluntary income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
Fundraising costs	99,969	-	-	99,969	69,130
Support costs	11,263	-	-	11,263	5,269
Wages and salaries	88,858	-	-	88,858	72,143
Support costs - depreciation	554	-	-	554	303
	200,644	-	-	200,644	146,845
<i>Total 2017</i>	<i>146,845</i>	<i>-</i>	<i>-</i>	<i>146,845</i>	

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

7. Direct costs

	Charitable activities £	Total 2018 £	Total 2017 £
Railway restoration	254,374	254,374	247,348
Engineering academy	63,000	63,000	165,125
Wages and salaries	15,213	15,213	13,463
Depreciation	23,794	23,794	22,619
	<u>356,381</u>	<u>356,381</u>	<u>448,555</u>
<i>Total 2017</i>	<u>435,092</u>	<u>435,092</u>	

8. Support costs

	2018 £	2017 £
Professional fees	2,976	800
Telephone, postage & stationery	4,295	2,617
Travel and subsistence	2,031	763
Bank charges	1,961	691
Insurance	-	263
Training	-	135
Depreciation	554	303
	<u>11,817</u>	<u>5,572</u>
Total	<u>11,817</u>	<u>5,572</u>

9. Management and administration

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
Independent examination fee	1,860	-	-	1,860	1,800
Wages and salaries	24,340	-	-	24,340	21,541
	<u>26,200</u>	<u>-</u>	<u>-</u>	<u>26,200</u>	<u>23,341</u>

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

10. Net income/(expenditure)

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	24,348	22,922
	<u>24,348</u>	<u>22,922</u>

During the year, no Trustees received any remuneration (2017 - £NIL).

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2017 - £NIL).

11. Staff costs

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	114,904	94,858
Social security costs	8,295	6,610
Other pension costs	5,212	5,679
	<u>128,411</u>	<u>107,147</u>

The total redundancy costs incurred in the year were £2,700 (2017: £NIL). This was a one off payment made to an employee as compensation for loss of employment.

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

2018	2017
No.	No.
5	4

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 £60,851 (2017: £53,853).

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

12. Tangible fixed assets

	Artefacts £	Rolling stock £	Office equipment £	Total £
Cost				
At 1 July 2017	3,445	224,750	1,566	229,761
Additions	-	25,000	877	25,877
At 30 June 2018	3,445	249,750	2,443	255,638
Depreciation				
At 1 July 2017	2,021	71,782	1,043	74,846
Charge for the year	344	23,450	554	24,348
At 30 June 2018	2,365	95,232	1,597	99,194
Net book value				
At 30 June 2018	1,080	154,518	846	156,444
At 30 June 2017	1,424	152,968	523	154,915

13. Fixed asset investments

	Listed securities £	Shares in SVR (Holdings) Plc £	Total £
Market value			
At 1 July 2017	1,101,956	24,435	1,126,391
Additions	267,115	-	267,115
Disposals	(102,290)	-	(102,290)
Revaluations	50,429	-	50,429
Movements in cash held by Broker	(71,306)	-	(71,306)
At 30 June 2018	1,245,904	24,435	1,270,339

Investments at market value comprise:

	2018 £	2017 £
Listed investments	1,245,904	1,101,956
Market value of shares held in SVR (Holdings) Plc	24,435	24,435
Total market value	1,270,339	1,126,391

All the fixed asset investments are held in the UK

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

13. Fixed asset investments (continued)

The endowment fund has been invested on a total return basis. Currently, there is no unapplied total return as all income generated is to be re-invested in the fund. During the year, donations of £77,484 (2017: £318,120) have been invested. This amount has been transferred into the Broker account for Brewin Dolphin to invest in line with the investment policy. Investment income of £26,495 (2017: £14,610) has been generated during the year, which remains within the endowment fund.

14. Debtors

	2018 £	2017 £
Other debtors	103,692	79,051

15. Creditors: Amounts falling due within one year

	2018 £	2017 £
Accruals	24,522	26,763

16. Financial instruments

	2018 £	2017 £
Financial assets measured at fair value through income and expenditure	1,219,406	1,004,152
Financial assets measured at amortised cost	743,661	512,708
	1,963,067	1,516,860
Financial liabilities measured at amortised cost	24,522	26,763

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

Financial assets measured at amortised cost comprise cash at bank and in hand, cash held by broker and 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 2018**

17. Statement of funds

Statement of funds - current year

	Balance at 1 July 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 30 June 2018 £
Designated funds						
Hagley Hall 4930	-	-	-	29,000	-	29,000
Engineering Academy	-	-	-	5,763	-	5,763
Track improvements	-	-	-	46,000	-	46,000
Building improvements	-	-	-	25,900	-	25,900
	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,663</u>	<u>-</u>	<u>106,663</u>
General funds						
General Funds - all funds	<u>280,046</u>	<u>611,348</u>	<u>(412,341)</u>	<u>(118,780)</u>	<u>-</u>	<u>360,273</u>
Total Unrestricted funds	<u>280,046</u>	<u>611,348</u>	<u>(412,341)</u>	<u>(12,117)</u>	<u>-</u>	<u>466,936</u>
Endowment funds						
Heritage Lottery Fund Catalyst: Endowments fund	<u>1,166,771</u>	<u>11,391</u>	<u>-</u>	<u>-</u>	<u>50,429</u>	<u>1,228,591</u>

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

17. Statement of funds (continued)

Restricted funds

	Balance at 1 July 2017	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 30 June 2018
Heritage Lottery Fund Catalyst: Endowments fund	14,628	26,495	-	-	-	41,123
Hinton Manor 7819	13,339	943	-	-	-	14,282
LNER Restaurant Composite 7960	99	184	-	-	-	283
Mark 1 TSO 4509	2,791	-	-	-	-	2,791
LMS & BR Coach Department	18,081	5,232	(115)	-	-	23,198
LNER Coach 52255	946	-	-	-	-	946
LNER Coach Department	738	4,545	(133)	-	-	5,150
Hagley Hall 4930	50,206	12,509	(9,500)	-	-	53,215
Diesel Facility	5,304	12,362	(4,225)	-	-	13,441
Engineering Academy Diesel Shunter 'Silver Spoon'	92	51,671	(63,000)	11,237	-	-
Toad A Brake Van 17410	290	-	(290)	-	-	-
Bridgnorth Station Restoration Fund	6,613	1,980	(5,556)	-	-	3,037
Bridgnorth Turntable Fund	423	35,349	(35,000)	-	-	772
Disabled Dining & Travel Facilities Fund	18,178	31	-	-	-	18,209
Locomotive 45110	69,800	8,450	(50,000)	-	-	28,250
Vandalised coaches	-	1,000	-	-	-	1,000
Falling Sands Viaduct	-	12,120	(13,000)	880	-	-
	-	198,043	(945)	-	-	197,098
	<u>201,528</u>	<u>370,914</u>	<u>(181,764)</u>	<u>12,117</u>	<u>-</u>	<u>402,795</u>
Total of funds	<u>1,648,345</u>	<u>993,653</u>	<u>(594,105)</u>	<u>-</u>	<u>50,429</u>	<u>2,098,322</u>

Statement of funds - prior year

	Balance at 1 July 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 30 June 2017 £
General 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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

17. Statement of funds (continued)

Restricted funds

	<i>Balance at 1 July 2016</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 30 June 2017</i>
Heritage Lottery Fund						
Catalyst: Endowments fund	-	14,628	-	-	-	14,628
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 A Brake Van 17410	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
	<u>159,626</u>	<u>199,457</u>	<u>(272,474)</u>	<u>114,919</u>	<u>-</u>	<u>201,528</u>
Total of funds	<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 - current year

	Balance at 1 July 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 30 June 2018 £
Designated funds	-	-	-	106,663	-	106,663
General funds	280,046	611,348	(412,341)	(118,780)	-	360,273
	<u>280,046</u>	<u>611,348</u>	<u>(412,341)</u>	<u>(12,117)</u>	<u>-</u>	<u>466,936</u>
Endowment funds	1,166,771	11,391	-	-	50,429	1,228,591
Restricted funds	201,528	370,914	(181,764)	12,117	-	402,795
	<u>1,648,345</u>	<u>993,653</u>	<u>(594,105)</u>	<u>-</u>	<u>50,429</u>	<u>2,098,322</u>

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

17. Statement of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 July 2016</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 30 June 2017</i>
	£	£	£	£	£	£
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>

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	This is a restricted fund for the purpose of restoring the vehicle to Composite 7960 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.

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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	This is a restricted fund for the purpose of restoring the locomotive to Silver Spoon' service
Toad A Brake Van 17410	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.
Track Improvements	This is a restricted fund for the purpose funding track improvement work.
Buildings Improvements	This is a restricted fund for the purpose of funding building improvement work.
Locomotive 45110	This is a restricted fund for the purpose of restoring the locomotive to service.
Vandalised coaches	This is a restricted fund for the purpose of restoring the coaches vandalised.
Falling Sands Viaduct	This is a restricted fund for the purpose of the restoration of the viaduct.

The transfers out of the unrestricted funds to the restricted funds are to offset deficits in the Engineering Academy and Vandalised Coaches Funds that amounted during the year. These deficits arose as a result of additional spending incurred beyond the level of funding secured. The charity held sufficient unrestricted reserves to allow these transfers.

The general reserves held were in excess of the charity's reserves policy, as a result the Trustee's have elected to allocate additional funds for future spending and has created designated funds. These funds will support the Hagley Hall and Engineering Academy projects.

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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £
Tangible fixed assets	156,444	-	-	156,444
Fixed asset investments	24,435	41,123	1,204,781	1,270,339
Current assets	310,579	361,672	23,810	696,061
Creditors due within one year	(24,522)	-	-	(24,522)
	<u>466,936</u>	<u>402,795</u>	<u>1,228,591</u>	<u>2,098,322</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £
Tangible fixed assets	154,915	-	-	154,915
Fixed asset investments	24,436	14,628	1,101,956	1,126,391
Current assets	127,458	186,900	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>

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

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	449,977	422,029
Adjustment for:		
Depreciation charges	24,348	22,922
Changes in market valuation	(50,429)	(107,753)
Increase in debtors	(24,641)	(52,869)
Decrease in creditors	(2,241)	(22,731)
Donated goods	(25,000)	-
Net cash provided by operating activities	<u>372,014</u>	<u>261,598</u>

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20. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	589,036	311,418
Cash held by Broker	50,933	122,239
Total	<u>639,969</u>	<u>433,657</u>

21. Pension commitments

The Charity operates a defined contribution pension scheme. The assets of scheme are held separately from those of the Charity in an independently administered funds. The pension cost shown in note 11 represents the contributions payable by the by the Charity to these funds.

22. Related party transactions

During the year the charity donated £317,374 (2017: £412,473) to Severn Valley Railway (Holdings) Plc.

Included with creditors is an amount of £8,918 (2017: £8,008) owed to Severn Valley Railway (Holdings) Plc which relates to recharges. Included within debtors is an amount of £52,087 (2017: £NIL) owed from Severn Valley Railway (Holdings) Plc for services supplied.

The Charity purchased a saloon in 2017 for £20,000 from Severn Valley Railway Wolverhampton Branch.

During the year Severn Valley Railways Association, Wolverhampton Branch donated £Nil (2017: £19,900) to the charity.