

THE 2857 SOCIETY

TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021



Charitable Community Benefit Society No. 8422

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2857 climbing Sapperton Bank on 16 June 1962. (Photo Pete Skelton)

SOCIETY AGM

This year's AGM will be held in the upstairs library at the Kidderminster Railway Museum on 2 October 2021. Sandwiches will be available from 1.15 pm so that the Trustees can meet Members informally. The formal meeting will begin at 2pm and will include a discussion of 2857's future in light of the impending expiry of its boiler certificate in 2022. All Members are, of course, welcome and encouraged to attend.

Cover Photo: 2857 departs Hampton Loade on 16 April 2021 during the SVR Spring Steam Up carrying a wreath in memory of the Duke of Edinburgh. (Photo John Sherratt)

TRUSTEES, ADVISERS AND ADMINISTRATIVE INFORMATION FOR THE PERIOD ENDED 31 MARCH 2021

Trustees:

Mark Bradshaw	Chair
Steven Leonard	General Secretary info@2857.org.uk
Andrew Morris	Shares and Membership Secretary 2857memsec@gmail.com
Peter Share	Treasurer petershare239@gmail.com
Simon Brooks	Engineering
Simon Marshall	Engineering and Newsletter Editor
Stephen Whittaker	Engineering

Registering Authority: The Financial Conduct Authority (FCA) is the registering authority for Community Benefit Societies. The Society is registered on the Mutuels Public Register maintained by the FCA.

Registered number: Charitable Community Benefit Society - 8422

Registered office: 9 Oak Drive
Pulloxhill
Bedford
MK45 5EQ

Secretary: Steven Leonard

Web: www.2857.org.uk

Bankers: HSBC
31 Church Street
Kidderminster
DY10 2AY

TRUSTEES' REPORT FOR THE PERIOD ENDED 31 MARCH 2021

Chair's Report

This is the first annual report of "The 2857 Society" since incorporation as a Charitable Community Benefit Society (CCBS) in July 2020. The period to 31 March 2021 saw some of the Society's usual activities being restricted or prevented by the COVID 19 Pandemic. We were, however, able to successfully transition the unincorporated 2857 Society formed in 1974 into a CCBS and applied to HMRC for recognition as a Charity for tax purposes. HMRC required a minor amendment be made to our Rules before recognising our charitable status. The Rule change was made and registered with the FCA. Our tax status has since been confirmed by HMRC and, consequently, the Society is now able to claim gift aid on donations made by UK tax payers, so every £10 donated is now worth £12.50 to the Society.

Objectives, Activities and Performance

The primary objective of the Society is to carry on for the benefit of the community the restoration, preservation and running on heritage railways of GWR 2-8-0 locomotive 2857 and LMS Brakevan 730866 and to make them available for the viewing, examination and educational purposes of the public. The Society also seeks to provide understanding and information relating to the history, restoration, maintenance and operation of steam locomotives and goods trains.

The benefits to the community include:

- the educational value inherent in accurately restoring and operating a representative of an important class of Great Western Railway goods locomotive. Members, who are also members of the Severn Valley Railway (SVR), are able to actively participate in the restoration and operation of the locomotive. Through the Society's website and magazine "28 Lines" members who do not wish to actively participate can receive educational information regarding 2857's history, restoration, maintenance and operation;
- providing, in conjunction with the SVR, opportunities for members of the public to observe the operation of the locomotive and to travel behind it. In normal times members of the public may participate in the SVR's Driving School and act as fireman and driver of 2857;
- the maintenance of the technical and engineering skills involved in the restoration and maintenance of steam locomotives. The Society, through Trustee Stephen Whittaker, has been well known for producing various component parts to replace those that were either life expired or missing from 2857; and also making these available to other preservation organisations to facilitate them in operating their locomotives.

The Society delivers these benefits by permitting 2857's use as one of the SVR's pool of locomotives. In exchange for maintaining the locomotive in working order the SVR retains all income generated from using 2857 and the LMS Brakevan. This contributes to providing a suitable setting within which to operate 2857. The agreement between the Society and the SVR is discussed more fully below.

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The Society also generates funds that can be used to assist the SVR to maintain 2857 in working order and to overhaul it on the expiry of its boiler insurance certificate, to the standards required by its insurers. Any surplus generated by the Society is used in the maintenance and upkeep of 2857

Financial Review

As at 31 March 2021 the Society is in a strong financial position with a cash balance in excess of £157,000 that is available to be contributed to the future overhaul of 2857. COVID 19 has had no material impact on the financial position of the Society.

Although there are no uncertainties about the ability of the Society to continue as a going concern there is an ongoing need to maintain our membership numbers and to undertake fund raising initiatives. The need for us to recruit new Trustees to undertake fund-raising activities is discussed further below.

The total cost of forming the CCBS was as follows:

Legal costs including the Rule change required by HMRC	2,310
FCA Registration Fee	120
Cost of printing and distributing explanatory booklet to members	358
Printing new share certificates	288
Printing letter head and provision of computer templates	186
Postage, Share Registers and other sundries	180
	<u>£3,442</u>

This is a significant one-off expense of which £1,164 was borne in the current period and £2,278 was borne by our predecessor Society. The financial benefit of this expenditure will be seen in future years with the receipt of gift aid and interest income no longer being chargeable to Corporation Tax. There is also the intangible security of 2857 being owned by an incorporated body.

The financial statements show income of £53 from “easyfundraising”. Since we enrolled with this scheme we have attracted 34 supporters who have raised in total £479. Much of this will be received in the next financial period. I encourage members to become supporters of 2857 through easyfundraising. If you have any questions about the scheme please contact Andy Morris.

Disapplying the need for the Society to have a qualified auditor

The legislation governing Community Benefit Societies is drafted on the presumption that a Society will appoint a “qualified auditor” to audit its financial statements. However, the legislation (and our Rules) enable the members of a Society to disapply this presumption and to have unaudited accounts. In January 2021 members were balloted with respect to the need to appoint a qualified auditor. 137 members (approximately 60% of the membership) voted with 130 being in favour of disapplying the audit requirement and 7 supporting appointing a qualified auditor.

The accompanying financial statements are, therefore, unaudited. At the AGM on 2 October 2021 there will be a vote with respect to whether a qualified auditor should be appointed by the Society going forward.

Rolling stock agreement with Severn Valley Railway

In 1976, to assist in achieving its objective of running 2857, the Society entered into an Agreement with the SVR. Under the Agreement the Society appointed the SVR to be our agent to properly preserve and maintain 2857 and the LMS Brakevan (our heritage assets). In consideration of certain obligations on the SVR set out in the Agreement the Society permits the SVR to operate our heritage assets on the SVR in accordance with the Light Railway Order. All income from the use of our heritage assets on the Severn Valley Railway is retained by the SVR. The SVR insures our heritage assets against a number of risks outlined in the Agreement (including public liability) in the joint names of the SVR and the Society.

In return for retaining the income earned through using our heritage assets the SVR is required on termination of the Agreement to return them to the Society in the condition they were originally handed to the SVR i.e. in restored working order.

To operate 2857 the SVR is required to have current pressure vessel insurance. The current insurance expires in July 2022 and at that time 2857 will have to be withdrawn from service and a full overhaul undertaken. Such overhauls are both time consuming and expensive.

At the present time the Society is not aware of the future intentions of the SVR with respect to returning 2857 to service following expiry of its pressure vessel insurance. Although financial assistance from the Society towards restoration of the locomotive is not required under the Agreement the Trustees are of the view that the Society should assist the SVR both practically and financially so as to ease the burden on the SVR and to facilitate a return to traffic for 2857 in the reasonably foreseeable future. This approach was used by the predecessor Society on the previous overhaul of 2857 and proved very successful. This was done on an informal basis, however, for the next overhaul this support may be finalised by signing an addendum to the Agreement that lays out the level of support to be given by the Society.

Structure, governance and management

The Society is registered with the Financial Conduct Authority (FCA) as a CCBS under the Co-operative and Community Benefit Societies Act 2014. The Society was registered on 21 July 2020 and has the Registration Number 8422. The Society is registered on the Mutuals Public Register maintained by the FCA. Subsequently on 3 June 2021 HM Revenue & Customs recognised the Society as a charity for tax purposes with effect from 21 July 2020.

Effective 1 September 2020 the Committee of the 1974 Society and the Subscribing Trustees¹ of the CCBS executed an agreement to transfer the ownership of 2857, the LMS Brakevan and all other assets and liabilities of the 1974 Society to the CCBS. Members of the 1974 Society as at 1 September 2020 are deemed to be members of the CCBS. Life members of the 1974 Society continue to be life members of the CCBS notwithstanding that the CCBS, for administrative reasons, does not offer new life memberships. The Subscribing Trustees decided (using their power set out in Society Rule 5.3) that the shares issued by the 1974 Society in

¹ The Subscribing Trustees were Messrs Bradshaw, Brooks, Leonard and Share (see note 13 to financial statements).

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2857, between 1974 and 2020, should rank pari passu (ie equally) with shares that are issued by the CCBS. Accordingly share certificates issued by the 1974 Society which were held by members of that Society on 31 August 2020 (the date on which assets, liabilities and memberships were transferred) became share certificates in the CCBS.

The purpose of issuing shares in the Society and levying membership subscriptions is solely to advance the charitable purposes of the Society. The Trustees may only issue shares that are non-withdrawable and non-transferable except on death or bankruptcy. There is no payment of interest on the shares and the profits of the Society are applied solely towards the promotion of the Society's Objects and do not belong to the Members.

Membership of the Society is open to any individual aged at least 16 who is interested in promoting the Society's Objects and subscribes for the minimum shareholding – currently - £5 and pays an annual or 10 or 20 year subscription and is approved by the Trustees. At 31 March 2021 the Society had 227 Members. Further details are set out in Note 3 to the financial statements on page 13.

The Trustees aspire to meet approximately 3 times a year although one of the impacts of COVID 19 has been to prevent the holding of formal Trustee meetings. In these circumstances key decisions have been made by email correspondence and recorded by the General Secretary.

The Society has no employees and the Trustees receive no remuneration. The Society has a small pool of active volunteers and more are always welcome.

The number of Trustees of the Society must be at least 3 and not more than 10. At present there are 7 Trustees. Each of the Trustees has signed a declaration of willingness to act as a Charity Trustee of the Society. One third of the Trustees must retire at each AGM but are eligible for re-election. Those longest in office must retire first and the choice between those of equal service is decided by drawing lots. Only Members who are at least 18 years of age are eligible to be appointed as Trustees. Trustees may either be appointed by ordinary resolution of the Members or co-opted by the Trustees. However, co-opted Trustees only hold office until the general meeting following her/his appointment.

Need to recruit Trustees dedicated to fund raising activities

The Society has a long tradition of successful fund raising activities including:

- Manufacture and sale of house number plates;
- Sales stands selling items of railway interest to enthusiasts;
- Raffles;
- Holding model railway exhibitions;
- Sales of railway books;
- Manufacture and sale of components for use on former GWR locomotives;
- Selling hot chestnuts to customers of SVR Santa trains
- Sales of limited-edition paintings and pen and ink drawings featuring 2857;
- Encouraging members to participate in the "easyfundraising" scheme.

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However, arising from certain Trustee and Member retirements coupled with a more difficult market facing certain of these fund raising activities only the easyfundraising scheme is currently active. Many of the Trustees have an interest and expertise in engineering matters which serves this aspect of the Society well. However, there is a particular need to recruit Trustees with an active interest in fund raising.

The Trustees are also aware of the ageing profile of the Trustees and intend, when the COVID 19 pandemic has abated, to recruit Trustees; particularly those who wish to be actively involved in fund raising and those who wish to work on 2857 (or both). Concurrently with the recruitment drive the Trustees intend to develop a programme of Trustee induction and training. If you are interested in becoming a Trustee or would like to discuss the matter further then please contact me or Steve Leonard our General Secretary.

Reference and administrative details

Administrative details of the Society are set out on page 1.

The Society has title to 714 ordinary shares in Severn Valley Railway (Holdings) plc. These shares were bequeathed to the Society some years ago and are registered in the name of the Society with Trustee Stephen Whittaker's address as the contact point recorded on the share register.

Exemptions from disclosure

The Society is not utilising any of the exemptions from disclosure permitted by the Charities Statement of Recommended Practice (Charities SORP).

Funds held as custodian trustee on behalf of others

Neither the Society nor its Trustees are acting as custodian trustees.

Appreciations

I would like to thank Paul Bennett our Webmaster for maintaining our Website for us on a free of charge basis.

I would also like to thank the Erlestoke Manor Fund for allowing us to "borrow" wheels from one of their tenders whilst those from 2857's tender were being repaired. This enabled 2857 to keep running. Our own tender wheels were reinstalled in June 2021.

2857 is well presented every time it is in steam and this is due to the efforts of many volunteer staff in the SVR's loco departments at Bewdley and Bridgnorth. The Society is very grateful to them for their efforts.

This report was approved by the Trustees on 19 July 2021 and signed on their behalf by:

MARK BRADSHAW
Chair

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE PERIOD ENDED 31 MARCH 2021

The Trustees of the Society as charity trustees have control of the Society, its property and its funds. The Trustees may exercise all the powers of the Society set out in the Rules of the 2857 Society except those that are reserved for the general meeting.

The Trustees are required annually to file an Annual Return Form and financial statements with the Financial Conduct Authority. The Trustees are also required to prepare an annual report in accordance with the requirements established by the Charities SORP (FRS 102).

The Trustees are responsible for preparing the financial statements in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" as clarified by the Charities SORP (FRS 102).

The Trustees are responsible for preparing financial statements that give a true and fair view of the state of affairs of the Society and of the Society's income and expenditure for the period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial position of the Society. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Trustees of The 2857 Society
STEVEN LEONARD
General Secretary
19 July 2021

STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD FROM INCORPORATION ON 21 JULY 2020 TO 31 MARCH 2021

	Notes	£	£
INCOME FROM:	1.3		
Interest receivable	1.5	1,264	
Donations		1,030	
Membership subscriptions	1.4/3	235	
Legacies	1.3	93	
Easyfundraising scheme		53	
Gift Aid	14	<u>0</u>	
TOTAL INCOME			2,675
EXPENDITURE ON:	1.6		
Re-organization costs	4	(1,164)	
Printing and distribution of 28 Lines		(556)	
Trustee expenses	13	(111)	
Governance costs	1.6/5	<u>(50)</u>	
TOTAL EXPENDITURE			<u>(1,881)</u>
NET INCOME FOR THE PERIOD			794
ACCUMULATED SURPLUS BROUGHT FORWARD FROM PREDECESSOR SOCIETY			<u>220,455</u>
GENERAL UNRESTRICTED RESERVES CARRIED FORWARD			<u>221,249</u>

The notes on pages 10 to 16 form an integral part of these financial statements

BALANCE SHEET AS AT 31 MARCH 2021

	Notes	£	£	£
HERITAGE ASSETS	1.8/6		79,324	
FINANCIAL INSTRUMENTS - UNLISTED INVESTMENT	1.9/7		1	
TERM DEPOSIT	1.10/8		45,000	
CURRENT ASSETS				
Term deposits maturing within 12 months	1.10/8	40,000		
Cash and cash equivalents	1.11/9	<u>72,418</u>		
		112,418		
CREDITORS AND PROVISIONS				
amounts falling due within 12 months	1.12/10	<u>(674)</u>		
NET CURRENT ASSETS			<u>111,744</u>	
NET ASSETS				<u>236,069</u>
CHARITY FUNDS				
Members' Capital	1.13/11		14,100	
Term Subscription Reserve	1.4/12		720	
General Unrestricted Reserves	1.14		<u>221,249</u>	
TOTAL FUNDS				<u>236,069</u>

The financial statements were approved and authorised for issue by the Trustees on 19 July 2021 and signed on their behalf by:

Mark Bradshaw, Chair

Peter Share, Treasurer

Steven Leonard, Secretary

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The notes on pages 10 to 16 form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” as clarified by the Charities SORP (FRS 102) “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 (effective 1 January 2019)” and the Co-operative and Community Benefit Societies Act 2014.

The Trustees have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the guidance published by the Charity Commission on public benefit. The Trustees consider the Society to meet 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.

1.2 GOING CONCERN

The financial statements have been prepared on the going concern basis as the Trustees are of the opinion that the Society will continue in operational existence for the foreseeable future.

1.3 INCOME

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

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate the amount receivable. Evidence of entitlement to a legacy exists when the Society has sufficient evidence that a gift has been left to it (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims on the estate. Income from a legacy is recognised when it is probable that it will be received and the fair value of the amount receivable, which will usually be the expected cash distribution to the Society, can be reliably measured.

1.4 MEMBERSHIP SUBSCRIPTIONS

Annual subscriptions are recognised as income in the year the subscription is received and no apportionment is made over the periods to which the subscription relates. Income from term subscriptions is apportioned over the relevant period covered by the subscription. Deferred income arising from term subscriptions is carried forward in the Term Subscription Reserve.

1.5 INTEREST RECEIVABLE

Interest on funds held on deposit is recognised as income when receivable and the amount can be measured reliably by the Society. In respect of deposits with variable interest rates income is recognised upon notification of the interest paid or payable by the Institution with whom the funds are deposited. In respect of term deposits where the rate of interest is fixed interest income is recognised on the accruals basis.

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.

Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

As the Society is not VAT registered, where appropriate, expenditure is inclusive of VAT.

1.7 TAXATION

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

1.8 HERITAGE ASSETS

Heritage assets are defined as tangible property with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture. The Society holds locomotive 2857 and LMS Brake Van 730866 for their historical and technological qualities in the public interest. 2857 and the Brakevan are maintained in working order by the Severn Valley Railway and all income from their operation accrues to Severn Valley Railway (Holdings) plc rather than to the Society.

Heritage assets are carried at the original cost of the items to the predecessor Society which were purchased at scrap value and the subsequent costs of restoring them to operational condition. The costs of subsequent overhauls are primarily incurred by Severn Valley Railway (Holdings) plc in accordance with the Rolling Stock

Agreement between that Company and the Society. Any enhancements to the heritage assets that are of a capital nature which are financed by the Society are capitalised.

Heritage assets are not depreciated as their value is considered to exceed the amount at which they are carried on the balance sheet.

1.9 FINANCIAL INSTRUMENTS - UNLISTED INVESTMENTS

Unlisted investments are carried at fair value using an appropriate valuation methodology. In circumstances where a fair value cannot be measured reliably the investments are carried at a notional amount.

1.10 TERM DEPOSITS

Funds identified as surplus to working capital requirements in the short or longer term are invested to maintain their value over time. The Trustees invest such surplus funds in fixed rate term deposits with recognised financial institutions. Term deposits maturing within 12 months of the balance sheet date are recognised as current assets.

1.11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash at bank and in hand. Current investments of highly liquid interest-bearing securities with maturities of three months or less are included in cash equivalents.

1.12 CREDITORS 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 carried at the amount that the Society expects it will pay to settle the debt or the amount it has received as advance payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation.

1.13 MEMBERS' CAPITAL

The Trustees may issue Shares in the Society with a nominal value of £1. Shareholders are required to subscribe for a minimum of 5 shares and such shares are non-withdrawable and non-transferable except on the death or bankruptcy of a member.

Shares in 2857 issued by the predecessor Society between 1974 and 2020 held by members of that Society on 31 August 2020 rank pari passu with shares in the Society.

1.14 FUND ACCOUNTING

Members' Capital is an Unrestricted Fund, which is available for use at the discretion of the Trustees in furtherance of the general objectives of the Society and which has not been designated for other purposes.

Cancelled Capital is also an Unrestricted Fund and arises when shares are cancelled on the death of a Member who has not bequeathed their shares to someone else or when the Trustees cancel a membership because annual subscription payments are in significant arrears. At the balance sheet date there was no cancelled capital.

General Unrestricted Reserves represent the cumulative excess of income over expenditure which has not been designated for use in a future project.

Designated Funds are funds set aside by the Trustees to be used for a particular future project. Although designated the funds remain part of unrestricted funds. At the balance sheet date there were no designated funds.

Restricted Funds are funds specified for a particular use, typically by a benefactor. The Trustees may only apply these funds to the specified use. At the balance sheet date there were no restricted funds.

2. JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires the Trustees to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported as revenue and expenses. The nature of estimation means that actual outcomes may differ from such estimates.

No significant judgments and estimates needed to be made in the preparation of these financial statements.

3. MEMBERSHIP SUBSCRIPTIONS

Members of the Society are required to pay either an annual subscription of £5, a 10 year subscription costing £30, or a 20 year subscription costing £45. At 31 March 2021 the Society had 227 members comprising:

Members paying an annual subscription	30
Members who have paid a 10 year term subscription	14
Members who have paid a 20 year term subscription	8
Legacy life members from predecessor Society	<u>175</u>
	<u>227</u>

4. RE-ORGANIZATION COSTS

The following expenditure was made in the period with respect to the formation of the Charitable Community Benefit Society (CCBS):

	£
Legal costs arising from Rule change required by HMRC	510
Printing of share certificates	288
Printing of headed note paper	186
Postage and other incidental costs	<u>180</u>
	<u>1,164</u>

5. GOVERNANCE COSTS

	£
Hire of room for AGM	50
Website Hosting	<u>0</u>
	<u>50</u>

Paul Bennett, our webmaster, maintains the Society's website on a free of charge basis.

6. HERITAGE ASSETS

Heritage assets comprise:

	£
GWR 2-8-0 Locomotive No. 2857 built 1918	78,287
LMS Brakevan No. 730866 built 1940	<u>1,037</u>
	<u>79,324</u>

In 1976 the predecessor Society entered into an Agreement with the SVR whereby the SVR was appointed the Society's agent to properly preserve and maintain 2857. In consideration of certain obligations on the SVR set out in the Agreement the Society permits the SVR to operate its heritage assets on the SVR in accordance with the Light Railway Order. All income from the use of our heritage assets is retained by the SVR. The SVR insures our heritage assets against a number of risks outlined in the Agreement (including public liability) in the joint names of the SVR and the Society. At 31 March 2021 2857 was insured for £800,000.

In return for retaining the income earned through using our heritage assets the SVR is required on termination of the agreement to return our heritage assets to the Society in the condition they were originally handed to the SVR i.e. in restored working order.

7. FINANCIAL INSTRUMENTS - UNLISTED INVESTMENT

The unlisted investment comprises 714 ordinary shares of £1 each in Severn Valley Railway (Holdings) plc, a company registered in England. The investment arose from a bequest from a Member of the predecessor Society and as no dividends may be paid by Severn Valley Railway (Holdings) plc there is no financial return on the investment. As the shares are not quoted on a recognised

stock exchange and there is no active over-the-counter market for the shares the Trustees have determined that a reliable fair value cannot be determined and accordingly the shares are carried at a notional amount of £1.

8. TERM DEPOSITS

At the balance sheet date the Society had the following term deposits:

Bank	Maturity	£
Cambridge and Counties Bank 2 year 1.8% fixed rate Charity Bond; recognised as a current asset	17 March 2022	<u>40,000</u>
Cambridge and Counties Bank 5 year 2.5% fixed rate Charity Bond	17 March 2025	<u>45,000</u>
Interest on the bonds is recognised as income over the terms of the bonds		

9. CASH AND CASH EQUIVALENTS

At the balance sheet date the Society had the following current accounts which were non-interest bearing:

Bank	£
HSBC	4,058
Santander	<u>68,360</u>
	<u>72,418</u>

10. CREDITORS AND PROVISIONS

At the balance sheet date the Society had the following creditors and provisions falling due within 12 months:

	£
Legal fees with respect to Rule change required by HMRC	510
Corporation tax liability of predecessor Society	114
Hire of room for AGM	<u>50</u>
	<u>674</u>

11. MEMBERS' CAPITAL

Members' Capital comprises:

	£
Shares issued by the CCBS Society since incorporation on 20 July 2020 at par value	775
Shares issued by the predecessor Society held by members of that Society as at 31 March 2021 at par value	<u>13,325</u>
MEMBERS' CAPITAL	<u>14,100</u>

12. TERM SUBSCRIPTION RESERVE

	£
Term Subscription Reserve at beginning of period	-
Term Subscriptions received and receivable	785
Amount transferred to Statement of Financial Affairs and included within Membership Subscription Income	<u>(65)</u>
Term Subscription Reserve at end of period	<u>720</u>

13. RELATED PARTY TRANSACTIONS

All subscription income and most donations and bequests are made by members and are, therefore, related party transactions. These amounts are disclosed in aggregate in the Statement of Financial Activities. Where a material donation or bequest is received from an unrelated party it would be disclosed separately in the Statement of Financial Activities – there were no such items in the current period.

Related party transactions with the Society Trustees were as follows:

Trustee	Share	Donations	Expenses
	purchases	received	paid
	£	£	£
Mark Bradshaw	100	----	----
Simon Brooks	5	----	----
Steven Leonard	100	----	----
Simon Marshall	----	----	(12)
Andrew Morris	----	----	(69)
Peter Share	100	30	(30)
	<u>305</u>	<u>30</u>	<u>(111)</u>

None of the Trustees paid a Membership Subscription because they are all life members of the predecessor Society.

14. SUBSEQUENT EVENT

On 3 June 2021 HMRC informed the Society that with effect from 21 July 2020 it was a charity for tax purposes. The Society will seek to obtain Charity Gift Aid Declarations from members who are UK tax payers and claim gift aid with respect to eligible financial contributions made by them. Receipts with respect to these retrospective claims for gift aid will be recognised as income when received from HMRC.

