

**THE 2857 SOCIETY**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**



**Charitable Community Benefit Society No. 8422**

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### **2023 SOCIETY AGM**

**This year's AGM will be held in the Old Nursery at the Kidderminster Railway Museum on Saturday 7<sup>th</sup> October 2023. Registration for the meeting commences at 13.30pm with the meeting starting at 14.00pm. The Old Nursery is at the rear of the main Museum building and is on ground level accessible from the road that connects Comberton Hill and the SVR's car park.**

Front cover Image:

Approaching Crossing Cottage, the driver shuts the regulator and allows 2857 to coast down Eardington Bank after she breasts the summit with a southbound train on the Severn Valley Railway in July 2022.

Photo: Bob Hart

## TRUSTEES, ADVISERS AND ADMINISTRATIVE INFORMATION

### Patron:

John Austin FGRA., President of the Guild of Railway Artists

### Trustees: (10<sup>th</sup> Sept 23)

Peter Share	Treasurer
Simon Brooks	Engineering
Paul Walley	General Secretary, Membership & Share Secretary
Simon Marshall	Engineering and Newsletter Editor
Harry Bradley	Fund raising and social media
Steve Whittaker	Engineering

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

**Registered number** Charitable Community Benefit Society – 8422

**Registered office** 277 Congleton Road  
Biddulph  
Staffordshire  
ST8 7SE

**Secretary** Paul Walley [paulwalley@2857.co.uk](mailto:paulwalley@2857.co.uk)

**Web** [www.2857.org.uk](http://www.2857.org.uk)

**Facebook and Instagram** The2857Society

**Membership & Shares** [memsec@2857.co.uk](mailto:memsec@2857.co.uk)

**Bankers** HSBC  
31 Church Street  
Kidderminster  
DY10 2AY  
Sort Code 40-10-13  
Account Number 31002848

## **TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023**

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### ***2857***

2857 has continued in 'front-line' SVR service but in Autumn 2022 was having leaking superheater elements attended to inside Bridgnorth Loco works, so the opportunity was taken to repaint and varnish the boiler upper cladding sheets and firebox top sheet. The result was very pleasing and stands the loco in good stead during future storage. 2857 was extensively used on Santa specials and 3 days of post-Christmas running. Her final day on Jan 2nd was heading a 10 coach diner special which was host to several hundred passengers and supporters.

Since then, 2857 has been prepared for winter storage in Kidderminster carriage shed but has also been on display in Kidderminster station on Spring Gala and 1940's Weekends. Meanwhile engineering condition reports on the loco and boiler have been produced, revealing encouraging results for when an overhaul opportunity arises.

### ***New Trustees***

At last year's AGM we welcomed onboard new Trustee Sheena Strevens, we are pleased to report that Sheena will be working alongside Harry Bradley and Tim Strevens to champion our fundraising efforts.

### ***Patron***

For those not previously aware, John Austin FGRA, the President of the Guild of Railway artists kindly agreed to be the Society's Patron. John is a very distinguished railway artist and has a close association with the SVR. He has often depicted 2857 in his paintings. We are still selling copies of his painting "Accelerating the Goods" depicting 2857 with inside steam pipes passing through Reading.

### ***Regular catch-up meetings initiated between the Society and the SVR***

During the year, we've once more had several meetings with the SVR's senior management to discuss various matters; in particular, the SVR's plans with respect to 2857 on expiry of its boiler certificate. The meetings have been constructive and have provided a useful mechanism for both ourselves and the SVR to be aware of the others concerns.

### ***Social Media***

Trustee Harry Bradley has continued to assert the societies presence on face book, we now have more than 1,000 followers. Previously a page has also been established on Instagram. The Trustees are aware that we need to have a presence on social media to effectively communicate with younger people who have an interest in 2857.

## **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, Social Media presence 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. Members 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 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 in more detail below.

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 the insurers. Any surplus generated by the Society is used in the maintenance and upkeep of 2857.

## **Financial Review**

As at 31 March 2023 the Society is in a strong financial position with a cash balance in excess of £170,000 increased from £162,000 at 31 March 2022.

Although there are no uncertainties about the ability of the Society to continue as a going concern there is an ongoing need to at least maintain, and preferably increase, our membership numbers and to undertake fund raising activities.

### *Interest income*

£2,093 of interest income was earned on the term deposits with Cambridge and Counties Bank. The Society has a substantial cash balance on deposit with Santander that earns minimal interest. The Trustees have decided to keep these funds liquid until such time as a timetable for the next overhaul is established.

### *Membership subscriptions*

During the previous year the Trustees increased the annual membership subscription from £5 to £20 because a level of £5 was clearly uneconomic. The Trustees also discontinued term subscriptions because of uncertainty about future inflation. Membership subscriptions were £536.

### *Donations and share purchases*

Donations reported in the income and expenditure account were £3,751. A number of members contribute by purchasing shares rather than by making donations. Share purchases, being capital in nature, are not shown in the income and expenditure account. A statement of Members' Capital has been included in the financial statements to disclose the contributions made by members through purchasing shares. Share purchases during the year totalled £977.

### *Easyfundraising*

Income from easyfundraising was £285. We now have 38 easyfundraising supporters who have raised in total to date £1,196. There is a three month delay in funds being raised and credited to the Society.

### *Giftaid*

Agreement was reached with HMRC to claim Gift Aid. An application was submitted for the period from July 2020 to March 2023 and a payment of £1,778 was received.

### *Fund raising initiatives*

The Society commenced fundraising by means of sales stands during the year, raising a net sum of £4,470. An item of scrap locomotive equipment was disposed of raising £736. To celebrate the end of the insurance certificate before 2857 is overhauled, a special last train service was arranged on 2<sup>nd</sup> January, raising £1,555.

### *Expenditure*

The main expenditures were £1,437 in the production and distribution of 28 Lines and £2,328 in legal services.

## **Reserves Policy**

During the year the Trustees agreed a Reserves Policy. The purpose of having reserves is to ensure that the Society could continue to operate in lean and difficult times. The Trustees decided that the level of reserves should be £10,000. These reserves cannot be used to finance the overhaul of 2857 but are intended to keep the Society operational if financial difficulties are encountered in the future.

The reserves would maintain services to members such as the production and distribution of 28 Lines and the financing of fundraising activities. The Trustees will review on an annual basis the level of reserves that should be maintained.

## **Rolling Stock Agreement with Severn Valley Railway**

The Society has an agreement with the SVR whereby 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. This insurance expired in January 2023, 2857 has now been withdrawn from service and a full overhaul is due to be undertaken. Such overhauls are both time consuming and expensive.

Meetings have been held between the Trustees and the senior management of the SVR to discuss, amongst other things, the intentions of the SVR with respect to returning 2857 to traffic following the expiry of its pressure vessel insurance. Legal advice to better understand the agreement in place has also been undertaken.

Although financial assistance from the Society towards the overhaul of 2857 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 on the previous overhaul of 2857 and proved to be successful.

## **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. At the Society’s AGM held in October 2022, the members voted to disapply the requirement to have an audit carried out by a registered auditor. The accompanying financial statements are therefore unaudited. A similar resolution will be proposed by the Trustees at the forthcoming AGM in October 2023.

## **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 the Mutuals Public Register maintained by the FCA on 21 July 2020 and has the Registration Number 8422. Subsequently on 3 June 2021 HM Revenue & Customs recognised the Society as a charity for tax purposes with effect from 21 July 2020.

Members of the predecessor Society are deemed to be members of the CCBS. Life members of the predecessor Society continue to be life members of the CCBS notwithstanding that the CCBS does not offer new life memberships. The Subscribing

**THE 2857 SOCIETY**  
**A Charitable Community Benefit Society – Registered Number 8422**

Trustees have previously decided (using their power set out in Society Rule 5.3) that the shares issued by the predecessor Society in 2857 between 1974 and 2020, should rank pari passu with shares that are issued by the CCBS. Accordingly share certificates issued by the predecessor Society are now 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 and pays an annual subscription. At 31 March 2023 the Society had 229 Members an increase of 6 from the 223 at 31 March 2022. Further details are set out in Note 3 to the financial statements on page 16. The re-establishment of a Society presence at events such as the SVR's steam galas has resulted in new members being recruited.

The Trustees are required to meet at least three times a year. During the last year, the trustees have had four meetings, the Trustees attendance is as follows:

<b>Trustee</b>	<b>No.</b>
Harry Bradley	3
Mark Bradshaw	2
Simon Brooks	4
Steven Leonard	2
Simon Marshall	3
Sheena Strevens	1
Peter Share	4
Tim Strevens	2
Steve Whittaker	4
Paul Walley	2

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. 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.



### **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 and are registered in the name of the Society with Trustee Steve 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**

We would like to thank Trustees Tim, Harry and Sheena for their considerable efforts over the last year in revitalising the sales efforts, this has proved to be very fruitful and in particular the society merchandise has proven to be very popular.

A special thanks to Trustee Harry Bradley is also in order for his fantastic organisation of the "2857 End of Ticket Dining Train". An outstanding event and a fitting end to 2857 last day of steaming under the now elapsed boiler ticket.

2857 is kept running by the hard work of a small number of employees of the SVR assisted by members of the Society. We've been very impressed by the hard work and effort put in by the SVR staff to keep 2857 steaming and to negotiate the extension to its boiler certificate allowing 2857 to steam though to January's grand finale. A big thank you to everyone involved.

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 10<sup>th</sup> September 2023 and signed on their behalf by:

**Paul Walley**



**General Secretary**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2023**

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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 year. 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  
Paul Walley  
*General Secretary*  
10<sup>th</sup> September 2023

## UNAUDITED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Year ended 31 March 2023		Year ended 31 March 2022	
		£	£	£	£
<b>INCOME FROM:</b>	1.3				
Interest receivable	1.5	2,093		1,852	
Donations		3,751		1,724	
Sales		6,761			
Membership subscriptions	1.4/3	536		291	
Legacies	1.3	0		0	
Easyfundraising scheme		285		487	
Gift Aid	4	<u>1,778</u>		<u>0</u>	
<b>TOTAL INCOME</b>			15,204		4,354
<b>EXPENDITURE ON:</b>	1.6				
Printing and distribution of 28 Lines		(1,438)		(1,254)	
Loco works Home & Dry appeal		-		(500)	
Governance costs	1.6/5	(325)		(425)	
Subscription SVR Charitable Trust		-		(100)	
Legal Fees		(2,328)		-	
Trustee expenses	11	(95)		(136)	
Bank charges		<u>(97)</u>		<u>(35)</u>	
<b>TOTAL EXPENDITURE</b>			<u>(4,283)</u>		<u>(2,450)</u>
<b>NET INCOME FOR THE PERIOD</b>			<b><u>10,921</u></b>		<b><u>1,904</u></b>

The notes on pages 13 to 18 form an integral part of these financial statements

## UNAUDITED BALANCE SHEET AS AT 31 MARCH 2023

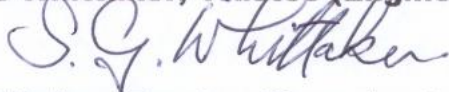
	Notes	2023		2022	
		£	£	£	£
<b>HERITAGE ASSETS</b>	1.8/6		79,324		79,324
<b>FINANCIAL INSTRUMENTS – UNLISTED INVESTMENTS</b>	1.9/7		1		1
<b>TERM DEPOSITS</b>	1.10/8		85,000		85,000
<b>CURRENT ASSETS</b>					
Sales stock			2,009		50
Debtors			1,778		20
Cash and cash equivalents	1.11/9		85,272		77,172
<b>CREDITORS AND PROVISIONS</b>					
Amounts falling due within 12 months	1.12		<u>(150)</u>		<u>(145)</u>
<b>NET CURRENT ASSETS</b>			<u>89,059</u>		<u>77,097</u>
<b>NET ASSETS</b>			<b><u>253,233</u></b>		<b><u>241,422</u></b>
<b>CHARITY FUNDS</b>					
Members' Capital	1.13		17,565		17,334
Cancelled Capital	1.14		1,025		299
Term Subscription Reserve	1.4/10		648		714
General Unrestricted Reserves	1.14		<u>233,995</u>		<u>223,075</u>
<b>TOTAL FUNDS</b>			<b><u>253,233</u></b>		<b><u>241,422</u></b>

The financial statements were approved and authorised for issue by the Trustees on 10<sup>th</sup> September 2023 and signed on their behalf by

**Peter Share, Trustee (Treasurer)**



**Steve Whittaker, Trustee (Engineering)**



**Paul Walley, Trustee (Secretary)**



The notes on pages 13 to 18 form an integral part of these financial statements

## **STATEMENT OF MEMBERS' CAPITAL**

	<b>Shares issued by the CCBS Society</b> £	<b>Shares issued by the predecessor Society</b> £	<b>Total shares in issue</b> £
<b>Shares in issue at 31 March 2022</b>	4,344	12,990	17,334
Shares issued by the CCBS in year to 31 March 2023	977		977
Cancelled shares in the Society	(60)	(666)	(726)
Adjustment to historical records <sup>1</sup>	(20)		(20)
<b>Shares in issue at 31 March 2023</b>	<b><u>5,241</u></b>	<b><u>12,324</u></b>	<b><u>17,565</u></b>

1. Adjustment made for shares issued in 2021-22 but not recorded as such.

The notes on pages 13 to 18 form an integral part of these financial statements

## STATEMENT OF GENERAL UNRESTRICTED RESERVES

	<b>2023</b>	<b>2022</b>
	£	£
<b>General unrestricted reserves brought forward</b>	<b>223,075</b>	<b>221,249</b>
Net income for the period	10,921	1,904
Reinstatement of shares to a member		(113)
Adjustment to historical records		<u>35</u>
<b>General unrestricted reserves carried forward</b>	<b><u>233,996</u></b>	<b><u>223,075</u></b>

The notes on pages 13 to 18 form an integral part of these financial statements

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 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 10 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 the 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.

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

At 31 March 2023 the Society had 229 members comprising:

	<b>2023</b>	<b>2022</b>
Members paying an annual subscription	38	29
Members who have paid a 10 year term subscription	15	16
Members who have paid a 20 year term subscription	8	8
Legacy life members from predecessor Society	<u>168</u>	<u>170</u>
	<b><u>229</u></b>	<b><u>223</u></b>

## 4. GIFT AID

The Society has obtained Charity Gift Aid Declarations from members who are UK tax payers and is claiming gift aid with respect to eligible financial contributions made by them.

## 5. GOVERNANCE COSTS

	<b>2023</b>	<b>2022</b>
	£	£
Room hire for Trustee meetings	155	205
Printing of Annual Report	90	120
Room hire for AGM	80	100
Website hosting	<u>0</u>	<u>0</u>
	<b><u>325</u></b>	<b><u>425</u></b>

## **6. HERITAGE ASSETS**

Heritage assets comprise:

	<b>2023</b>	<b>2022</b>
	£	£
GWR 2-8-0 Locomotive No. 2857 built 1918	78,287	78,287
LMS Brakevan No. 730866 built 1940	<u>1,037</u>	<u>1,037</u>
	<b><u>79,324</u></b>	<b><u>79,324</u></b>

The Society has an agreement with the SVR whereby the SVR is appointed the Society's agent to properly preserve and maintain our heritage assets. 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.

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 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 with Cambridge and Counties Bank:

<b>Term and interest rate</b>	<b>2023</b>		<b>2022</b>	
	Maturity	£	Maturity	£
5 year 2.5% Charity Bond	17/03/25	45,000	17/03/25	45,000
5 year 1.95% Charity Bond	17/03/27	<u>40,000</u>	17/03/27	<u>40,000</u>
		85,000		85,000
Bond recognised as current asset		-		-
<b>Term Deposits</b>		<b><u>85,000</u></b>		<b><u>85,000</u></b>

## 9. CASH AND CASH EQUIVALENTS

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

<b>Bank</b>	<b>2023</b>	<b>2022</b>
	£	£
Cash Float	48	-
HSBC	2,244	2,960
Santander	<u>82,980</u>	<u>74,212</u>
	<b><u>85,272</u></b>	<b><u>77,172</u></b>

## 10. TERM SUBSCRIPTION RESERVE

	<b>2023</b>	<b>2022</b>
	£	£
Term Subscriptions received and receivable	0	60
Amount transferred to Statement of Financial Affairs and included within Membership Subscription Income		<u>(66)</u>
Term Subscription Reserve at end of period	<b><u>714</u></b>	<b><u>714</u></b>

## 11. 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 year.

Related party transactions with the Society's Trustees were as follows:

<b>Trustee</b>	<b>Share purchases</b>	<b>Donations received</b>	<b>Expenses paid</b>
	£	£	£
Steven Leonard	-	500	(3,190)
Andy Morris	-	-	(402)
Steve Whittaker	-	35	(280)
Peter Share	-	130	(30)
Harry Bradley	-	<u>80</u>	<u>(1,595)</u>
	-	<b><u>745</u></b>	<b><u>5,497</u></b>

Expenses paid to Trustees are reimbursements to the Trustees for expenditures they have paid personally on behalf of the Society. Of these expenses £95 are classified as Trustee expenses in the Statement of Financial Activities.

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