

THE 2857 SOCIETY
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024



Charitable Community Benefit Society No. 8422

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2024 SOCIETY AGM

This year's AGM will be held in the Old Nursery at the Kidderminster Railway Museum on Saturday 12th October 2024. 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:
2857 at Little Rock, working a goods train.

Photo: Kenny Felstead.

TRUSTEES, ADVISERS AND ADMINISTRATIVE INFORMATION

Patron:

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

Elected Trustees:

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

Web

www.2857.org.uk

Facebook and Instagram

The2857Society

Membership & Shares

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 2024

2857

2023 has brought a whirlwind of changes, straight in with the 2857's magnificent blockbuster 10 coach diner special for 2857's bowing out before settling down to her quiet storage in Kidderminster carriage shed.

This has enabled our 28 to be displayed in the dock at Kidderminster station for the spring gala and the two 40's weekends.

Meanwhile engineering work on 2857 to further help in assessing the condition of the loco and boiler has been ongoing in readiness for when an overhaul opportunity may arise.

New Trustees

During the course of the year Megan Gregory has become involved with the society and after attending a few meetings has now become a co-opted Trustee, Megan is looking to stand for a trustee position at the 2024 AGM to become an elected Trustee. Many thanks to Megan for her support and contributions to date.

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 1,200 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 2024 the Society is in a strong financial position with a cash balance in excess of £183,000 increased from £170,000 at 31 March 2023.

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

£2,703 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. The Society is in the process of opening an additional account with the Co-Op bank to obtain an improved rate of interest.

Membership subscriptions

During the year the Trustees took the decision to abolish Subscriptions and concentrate on donations, subject to a minimum shareholding of £30.

Donations and share purchases

Donations reported in the income and expenditure account were £4,783. 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 £650.

Easyfundraising

Income from easyfundraising was £310. We now have 39 easyfundraising supporters who have raised more than £1,400 to date. There is a three month delay in funds being raised and credited to the Society.

Giftaid

Gift Aid amounting to £400 has been applied for this year. Last year the amount claimed covered 3 years, including one extremely generous donation.

Fund raising initiatives

The Society commenced fundraising by means of sales stands during the year, raising a net sum of £2,504.

Expenditure

The main expenditure during the year consisted of the cost of producing and distributing 28 Lines. This is considerably reduced following a change of business provider.

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 2023, 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 2024.

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.

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

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

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. At 31 March 2024 the Society had 230 Members an increase of 1 from the 229 at 31 March 2023. 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 as follows:

Trustee meeting 4th June 2023
Trustee meeting 29th August 2023
AGM meeting 7th October 2023
Trustee meeting 11th November 2023

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

The Society would like to thank the SVR, its management team, the employee's and the volunteers for all their continued assistance. whilst the engine may not be in service currently, the good cooperation and continued dialogue between the two parties is paramount to the future success and longevity of 2857. The Society is very grateful to them for their efforts and support.

The Society would also like to thank Sheena Strevens and Tim Strevens who championed the revival of our fundraising efforts in addition to other activities and duties whilst serving as trustee's. The Society is very grateful to them for their efforts and contributions.

This report was approved by the Trustees on 26th September 2024 and signed on their behalf by:

Paul Walley



General Secretary

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2024

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
26th September 2024

UNAUDITED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Year ended 31 March 2024		Year ended 31 March 2023	
		£	£	£	£
INCOME FROM:	1.3				
Interest receivable	1.5	2,704		2,093	
Donations		4,782		3,751	
Sales		2,504		6,761	
Membership subscriptions	1.4/3	66		536	
Legacies	1.3	0		0	
Easyfundraising scheme		310		285	
Gift Aid	4	<u>400</u>		<u>1,778</u>	
TOTAL INCOME			10,766		15,204
EXPENDITURE ON:	1.6				
Printing and distribution of 28 Lines		(889)		(1,438)	
Loco works Home & Dry appeal		-		-	
Governance costs	1.6/5	-		(325)	
Subscription SVR Charitable Trust		-		-	
Legal Fees		-		(2,328)	
Trustee expenses	11	(80)		(95)	
Bank charges		<u>(75)</u>		<u>(97)</u>	
TOTAL EXPENDITURE			(10,044)		(4,283)
NET INCOME FOR THE PERIOD			<u>9,722</u>		<u>10,921</u>

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

UNAUDITED BALANCE SHEET AS AT 31 MARCH 2024

	Notes	2024		2023	
		£	£	£	£
HERITAGE ASSETS	1.8/6		79,324		79,324
FINANCIAL INSTRUMENTS – UNLISTED INVESTMENTS	1.9/7		1		1
TERM DEPOSITS	1.10/8		85,000		85,000
CURRENT ASSETS					
Sales stock		948		2,009	
Debtors		400		1,778	
Cash and cash equivalents	1.11/9	142,957		85,272	
CREDITORS AND PROVISIONS					
Amounts falling due within 12 months	1.12	<u>(90)</u>		<u>(150)</u>	
NET CURRENT ASSETS			<u>144,305</u>		<u>89,059</u>
NET ASSETS			<u>263,540</u>		<u>253,233</u>
CHARITY FUNDS					
Members' Capital	1.13	17,804		17,565	
Cancelled Capital	1.14	1,436		1,025	
Term Subscription Reserve	1.4/10	582		648	
General Unrestricted Reserves	1.14	<u>243,718</u>		<u>233,995</u>	
TOTAL FUNDS			<u>263,540</u>		<u>253,233</u>

The financial statements were approved and authorised for issue by the Trustees on 26th September 2024 and signed on their behalf by:

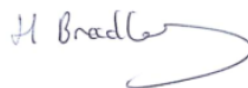
Peter Share, Trustee



Paul Walley, Trustee



Harry Bradley, Trustee



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

STATEMENT OF MEMBERS' CAPITAL

	Shares issued by the CCBS Society	Shares issued by the predecessor Society	Total shares in issue
	£	£	£
Shares in issue at 31 March 2023	5,241	12,324	17,565
Shares issued by the CCBS in year to 31 March 2024	650		650
Cancelled shares in the Society	-	(411)	(411)
Shares in issue at 31 March 2024	<u>5,891</u>	<u>11,913</u>	<u>17,804</u>

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

STATEMENT OF GENERAL UNRESTRICTED RESERVES

	2024	2023
	£	£
General unrestricted reserves brought forward	233,996	223,075
Net income for the period	9,722	10,921
Reinstatement of shares to a member		
Adjustment to historical records		
General unrestricted reserves carried forward	<u>243,718</u>	<u>233,996</u>

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 2024

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 membership has now been replaced by a minimum shareholding of 30 shares. This decision was taken by the Trustee’s so as to minimise the cost of administration and to improve efficiency. Any existing member or shareholder holding 30 shares or more will remain a member of the society indefinitely.

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 30 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

At 31 March 2024 the Society had 230 members, in the previous year at the 31st March 2023 the Society had 229 members.

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

	2024	2023
	£	£
Room hire for Trustee meetings	50	155
Printing of Annual Report	0	90
Room hire for AGM	60	80
	<u>110</u>	<u>325</u>

6. HERITAGE ASSETS

Heritage assets comprise:

	2024	2023
	£	£
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>
	<u>79,324</u>	<u>79,324</u>

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:

Term and interest rate	2024		2023	
	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		-		-
Term Deposits		<u>85,000</u>		<u>85,000</u>

9. CASH AND CASH EQUIVALENTS

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

Bank	2024	2023
	£	£
Cash Float	-	48
HSBC	12,274	2,244
Santander	85,683	82,980
Camb & C'ties	45,000	-
	<u>142,957</u>	<u>85,272</u>

10. TERM SUBSCRIPTION RESERVE

	2024	2023
	£	£
Term Subscriptions received and receivable	-	-
Amount transferred to Statement of Financial Affairs and included within Membership Subscription Income	-	-
Term Subscription Reserve at end of period	<u>714</u>	<u>714</u>

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:

Trustee	Share purchases	Donations received	Expenses paid
	£	£	£
Paul Walley	100	100	-
Simon Brooks	30	220	-
Steve Whittaker	-	20	-
Peter Share	-	140	(30)
Harry Bradley	100	-	(101)
	<u>230</u>	<u>480</u>	<u>131</u>

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