

Company registration number: 03230084

Charity registration number: 1058432

# The Class 4 Preservation Trust Ltd.

(A company limited by share capital)

Annual Report and Financial Statements

for the Year Ended 31 December 2020

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# **The Class 4 Preservation Trust Ltd.**

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## **The Class 4 Preservation Trust Ltd.**

### **Reference and Administrative Details**

<b>Chairman</b>	Mr P T Oldfield
<b>Trustees</b>	Mr H J Self Mr B R Smith Mr P T Oldfield Mr M H Davenhill Mr D P Cawthorn M.B.E. Mr D P Thornton
<b>Secretary</b>	Mr H J Self
<b>Principal Office</b>	42 Church Lane Wolstanton Newcastle Staffordshire ST5 0EG  The charity is incorporated in England and Wales.
<b>Company Registration Number</b>	03230084
<b>Charity Registration Number</b>	1058432

## **The Class 4 Preservation Trust Ltd.**

### **Strategic Report for the Year Ended 31 December 2020**

The trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 December 2020, in compliance with s414C of the Companies Act 2006.

#### **Financial review**

Due to the impact of Covid-19, no use of the locomotives occurred and as a consequence the trust had no income during the year ended 31st December 2020. The trust had sufficient resources for it to meet its commitments in the financial year ended 31st December 2020 and in the subsequent financial period. Steaming fees restarted in summer 2021.

#### ***Policy on reserves***

The Trust continues its policy of accumulating funds to provide for heavy mechanical overhauls due to be carried out in the future.

#### ***Principal funding sources***

There was no income generated in the year to 31st December 2020 due to the impact of Covid -19. Income is normally generated almost exclusively from the hiring of the locomotives to companies and organisations running preserved railways.

#### ***Investment policy and objectives***

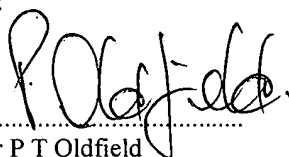
The trust holds surplus capital on deposit with Barclays Bank plc. It is not the Trust's policy to take investment risks so that any accumulated funds will be held in deposit accounts offering best terms.

#### ***Principal risks and uncertainties***

##### ***Risk management***

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The strategic report was approved by the trustees of the charity on 24 September 2021 and signed on its behalf by:



Mr P T Oldfield  
Chairman and Trustee

## **The Class 4 Preservation Trust Ltd.**

### **Trustees' Report**

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 December 2020.

#### **Objectives and activities**

##### ***Objects and aims***

The charity's objectives are to carry out activities relating to the acquisition, restoration and preservation and display for the public benefit of steam locomotives of historic interest and, in particular, class 4 locomotives.

The Trust currently owns two class 4 locomotives, ex-BR standard tank number 80136 and Hunslet "J94" currently numbered 68030.

#### **Structure, governance and management**

##### ***Nature of governing document***

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The company was incorporated on 26th July, 1996 and registered as a charity on 2nd October 1996.

The liability of full members of the Society is an undertaking to contribute to the assets of the Trust in the event of its being wound up, while a member, or within one year of ceasing to be a member, a sum not exceeding one pound.

##### ***Recruitment and appointment of trustees***

Any new appointments are at the recommendation of the board.

##### ***Organisational structure***

Trustees serve for a three year period and may be re-elected for a further three year period. The Trustees meet at least four times a year to discuss progress and to formulate strategies.

## **The Class 4 Preservation Trust Ltd.**

### **Trustees' Report**

#### **Relationships with related parties**

##### **Mr. P. T. Oldfield.**

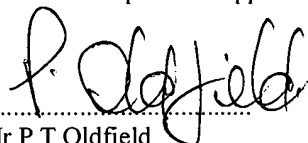
Mr P. T. Oldfield, is a Trustee and director of the charitable company. Please refer to note for related party transactions.

#### ***Major risks and management of those risks***

##### ***Risk management***

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The annual report was approved by the trustees of the charity on 24 September 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'P. T. Oldfield', written over a dotted line.

Mr P T Oldfield  
Chairman and Trustee

## **The Class 4 Preservation Trust Ltd.**

### **Statement of Trustees' Responsibilities**

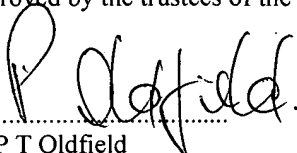
The trustees (who are also the directors of The Class 4 Preservation Trust Ltd. for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Approved by the trustees of the charity on 24 September 2021 and signed on its behalf by:

  
.....  
Mr P T Oldfield  
Chairman and Trustee

**The Class 4 Preservation Trust Ltd.**

**Statement of Financial Activities for the Year Ended 31 December 2020**

	Note	Unrestricted funds £	Total 2020 £
<b>Incoming resources</b>			
Total income		-	-
<b>Expenditure on:</b>			
Charitable activities		(15,861)	(15,861)
Total expenditure		(15,861)	(15,861)
Net expenditure		(15,861)	(15,861)
Net movement in funds		(15,861)	(15,861)
<b>Reconciliation of funds</b>			
Total funds brought forward		213,448	213,448
Total funds carried forward	10	197,587	197,587
	Note	Unrestricted funds £	Total 2019 £
<b>Incoming resources</b>			
Hire and mileage		27,628	27,628
Total income		27,628	27,628
<b>Expenditure on:</b>			
Charitable activities		(18,102)	(18,102)
Total expenditure		(18,102)	(18,102)
Net income		9,526	9,526
Net movement in funds		9,526	9,526
<b>Reconciliation of funds</b>			
Total funds brought forward		203,922	203,922
Total funds carried forward	10	213,448	213,448

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2020 and 2019 is shown in note 10.



**The Class 4 Preservation Trust Ltd.**  
**(Registration number: 03230084)**  
**Balance Sheet as at 31 December 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	6	319,033	319,279
<b>Current assets</b>			
Debtors		148	-
Cash at bank and in hand		<u>56,161</u>	<u>68,025</u>
		56,309	68,025
<b>Creditors: Amounts falling due within one year</b>	7	<u>(3,924)</u>	<u>(15,025)</u>
<b>Net current assets</b>		<u>52,385</u>	<u>53,000</u>
<b>Total assets less current liabilities</b>		371,418	372,279
<b>Creditors: Amounts falling due after more than one year</b>	8	<u>(110,500)</u>	<u>(95,500)</u>
<b>Net assets</b>		<u><u>260,918</u></u>	<u><u>276,779</u></u>
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		197,587	213,448
Revaluation reserve		<u>63,331</u>	<u>63,331</u>
<b>Total unrestricted funds</b>		<u>260,918</u>	<u>276,779</u>
<b>Total funds</b>	10	<u><u>260,918</u></u>	<u><u>276,779</u></u>

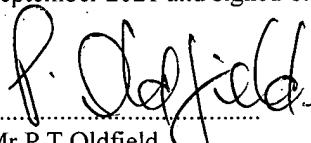
For the financial year ending 31 December 2020 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

**Directors' responsibilities:**

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 6 to 14 were approved by the trustees, and authorised for issue on 24 September 2021 and signed on their behalf by:

  
 .....  
 Mr P T Oldfield  
 Chairman and Trustee

## **The Class 4 Preservation Trust Ltd.**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **1 Charity status**

The charity is limited by share capital, incorporated in England and Wales.

The address of its registered office is:

42 Church Lane

Wolstanton

Newcastle

Staffordshire

ST5 0EG

These financial statements were authorised for issue by the trustees on 24 September 2021.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

##### **Basis of preparation**

The Class 4 Preservation Trust Ltd. meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

##### **Income and endowments**

##### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

## **The Class 4 Preservation Trust Ltd.**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Tangible fixed assets**

The Trust has a practice of regular maintenance and repair of steam locomotives and any depreciation charge of the locomotives would be immaterial. The regular costs of restoration, repair and maintenance of the locomotives are charged to the income and expenditure account in the year in which they are incurred. During the years between the overhauls, provision is made annually for the anticipated cost of major overhauls of the steam locomotives, and is disclosed separately within the Detailed Statement of Financial Activities.

#### **Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Vans and equipment	10% reducing balance
Steam Engines (Boiler element)	10% reducing balance

#### **Stock**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

### **3 Income from charitable activities**

	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Hire and mileage	-	27,628

## The Class 4 Preservation Trust Ltd.

### Notes to the Financial Statements for the Year Ended 31 December 2020

#### 4 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2020 £	2019 £
Depreciation of fixed assets	<u>168</u>	<u>274</u>

#### 5 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year. (2019 : £nil).

No trustees have received any reimbursed expenses or any other benefits from the charity during the year. (2019 : £nil).

#### 6 Tangible fixed assets

	Steam Engines £	Vans and equipment £	Total £
<b>Cost</b>			
At 1 January 2020	<u>326,188</u>	<u>4,658</u>	<u>330,846</u>
At 31 December 2020	<u>326,188</u>	<u>4,658</u>	<u>330,846</u>
<b>Depreciation</b>			
At 1 January 2020	8,590	2,977	11,567
Charge for the year	<u>78</u>	<u>168</u>	<u>246</u>
At 31 December 2020	<u>8,668</u>	<u>3,145</u>	<u>11,813</u>
<b>Net book value</b>			
At 31 December 2020	<u>317,520</u>	<u>1,513</u>	<u>319,033</u>
At 31 December 2019	<u>317,598</u>	<u>1,681</u>	<u>319,279</u>

The cost of steam engines at 31st December 2020 (and 2019) includes revaluation increases of the following amounts: Year ended 31st December 1999 £18,331. Year ended 31st December 2001 £20,000. Year ended 31st December 2004 £25,000.

If the steam engines had not been revalued they would have been included at cost of £262,857 (2019: £262,857). Steam engines were valued on an open market basis on 20/12/2020 by Mr P. T. Oldfield, a trustee.

# **The Class 4 Preservation Trust Ltd.**

## **Notes to the Financial Statements for the Year Ended 31 December 2020**

### **7 Creditors: amounts falling due within one year**

	2020 £	2019 £
Other loans	3,324	13,729
VAT	-	911
Accruals	600	385
	<u>3,924</u>	<u>15,025</u>

### **8 Creditors: amounts falling due after one year**

	2020 £	2019 £
Accruals	<u>110,500</u>	<u>95,500</u>

The best estimate of the costs of the overhauls of the locomotives are accrued within the financial statements during the years between overhauls.

The overhaul of 80136 was completed in 2017. Estimated costs of the next overhaul of the 80136 are being accrued at £15,000 per annum. Total at 31st December 2020 is £45,000.

The costs accrued as at 31st December 2020 relating to the J94 stand at £65,500 and are included within creditors due after more than one year. The accrual will be released in line with the restoration costs of the J94 being incurred in due course.

### **9 Reserves**

	Revaluation reserve £	Total £
At 1 January 2020	<u>(63,331)</u>	<u>(63,331)</u>
At 31 December 2020	<u>(63,331)</u>	<u>(63,331)</u>

# The Class 4 Preservation Trust Ltd.

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 10 Funds

	Balance at 1 January 2020 £	Resources expended £	Balance at 31 December 2020 £
<b>Unrestricted funds</b>			
<i>Unrestricted funds</i>			
General Funds	<u>(213,448)</u>	<u>15,861</u>	<u>(197,587)</u>
	Balance at 1 January 2019 £	Incoming resources £	Resources expended £
<b>Unrestricted funds</b>			Balance at 31 December 2019 £
<i>Unrestricted funds</i>			
General Funds	<u>(203,922)</u>	<u>(27,628)</u>	<u>18,102</u>
			<u>(213,448)</u>

### 11 Analysis of net assets between funds

	2020	
	Unrestricted funds £	Total funds £
Tangible fixed assets	319,033	319,033
Current assets	56,309	56,309
Current liabilities	(3,924)	(3,924)
Creditors over 1.year	<u>(110,500)</u>	<u>(110,500)</u>
Total net assets	<u>260,918</u>	<u>260,918</u>
	2019	
	Unrestricted funds £	Total funds £
Tangible fixed assets	319,279	319,279
Current assets	68,025	68,025
Current liabilities	(15,025)	(15,025)
Creditors over 1 year	<u>(95,500)</u>	<u>(95,500)</u>
Total net assets	<u>276,779</u>	<u>276,779</u>

**The Class 4 Preservation Trust Ltd.**

**Notes to the Financial Statements for the Year Ended 31 December 2020**

**12 Analysis of net funds**

	<b>At 1 January 2020 £</b>	<b>Cash flow £</b>	<b>At 31 December 2020 £</b>
Cash at bank and in hand	68,025	(11,864)	56,161
	<u>68,025</u>	<u>(11,864)</u>	<u>56,161</u>

## **The Class 4 Preservation Trust Ltd.**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **13 Related party transactions**

During the year the charity made the following related party transactions:

##### **Mr P. T Oldfield**

(Mr. P. T. Oldfield is a Trustee and director of the charitable company.)

Mr P. T. Oldfield has advanced a loan to the company of £53,729, in 2013, to assist with the funding of the overhaul of the locomotive 80136. The first repayment of £20,000 was made in 2018, followed by a further repayment in 2019 of £20,000 and a further repayment in 2020 of £10405. There is a provision within the loan agreement to charge a commercial rate of interest however no interest has been charged. The advance is included within "other loans".

At the balance sheet date the amount due to Mr P. T Oldfield was £3,324 (2019 - £13,729).



**The Class 4 Preservation Trust Ltd.**

**Detailed Statement of Financial Activities for the Year Ended 31 December 2020**

	Total 2020 £	Total 2019 £
<b>Income and Endowments from:</b>		
Other income (analysed below)	-	27,628
Total income	-	27,628
<b>Expenditure on:</b>		
Charitable activities (analysed below)	(15,861)	(18,102)
Total expenditure	(15,861)	(18,102)
Net (expenditure)/income	(15,861)	9,526
Net movement in funds	(15,861)	9,526
<b>Reconciliation of funds</b>		
Total funds brought forward	213,448	203,922
Total funds carried forward	197,587	213,448

**The Class 4 Preservation Trust Ltd.**

**Detailed Statement of Financial Activities for the Year Ended 31 December 2020**

	Total 2020 £	Total 2019 £
<i>Incoming resources from charitable activities</i>		
Hire and mileage	-	27,628
	-	27,628

	Total 2020 £	Total 2019 £
<i>Charitable activities</i>		
Repairs and maintenance	(15,000)	(17,435)
Sundry expenses	-	(8)
Accountancy fees	(615)	(385)
Depreciation of steam engine	(78)	(87)
Depreciation of vans & equipment	(168)	(187)
	(15,861)	(18,102)