

Registered number: 04341280
Charity number: 1092723

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

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016



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

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SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 30 JUNE 2016**

Trustees

H J McQuade, Chairman
J M S Clark (resigned 14 March 2016)
J Leftwich
D E Mead
N C Paul CBE
R Scanlon
D C Williams
P B Copsey (appointed 3 October 2016)
R Treverton-Jones (appointed 3 October 2016)

Senior Management Team

Shelagh Paterson - Director of Development

Company registered number

04341280

Charity registered number

1092723

Registered office

Number One, Comberton Place, Kidderminster, Worcestershire, DY10 1QR

Company secretary

P B Copsey (appointed 29 April 2016),
M C Greensmith (resigned 29 April 2016)

Independent examiner

Crowe Clark Whitehill LLP, Black Country House, Rounds Green Road, Oldbury, West Midlands, B69 2DG

Bankers

HSBC Bank Plc, 31 Church Street, Kidderminster, Worcestershire, DY10 1QR

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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**CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016**

It is my pleasure to report another successful year of achievements by the volunteers and staff at the Severn Valley Railway Charitable Trust. We continue to build on the investment that was made in expanding the remit and fundraising capability of the Charity in 2012, and in particular this year we have seen the first significant amount of income from donations in Wills.

In total, the Charitable Trust raised £892,377 in donations, which represents a staggering increase of 300% on the previous year.

This significant increase was substantially due to a number of long-term supporters leaving a gift in their Wills. The early communications that were made by the Trust back in 2013 are now beginning to bear fruit and are having a direct benefit to the Railway. There is clearly a growing understanding amongst our supporters about the importance to the Railway of donations in Wills. These donations are, and will increasingly become, vital to the SVR's future. Whilst there is inevitably great sadness when those closest to us pass away, there is comfort in knowing that their desire to ensure the Railway's future has been realised through their kind donations, and as a Trust, we are extremely grateful for these lasting gifts.

The endowment Future Fund has continued to benefit from Heritage Lottery Fund (HLF) match funding, and has remained a key priority for the Trustees. We were united in our agreement to allocate a significant proportion of unrestricted donations to the endowment Future Fund, and this has brought the pot to £668,000. There still remains £332,000 to raise by June 2017 when the HLF match funding grant expires.

We are grateful to the following, who have given us significant financial support in the past year:

Trusts

Heritage Lottery Fund
EJ Thompson Memorial Fund
Bransford Trust
Kidderminster College
Lord Leverhulme's Charitable Trust

Individuals

John Wood-Smith
Michael Hake
Richard Hill
Richard Periam
Paul Meier

Companies

MFG Solicitors
Phoenix Dispensed Drinks Ltd
Nexus Creative Limited
Allelys Heavy Haulage
EFG Harris Allday
West Midland Safari Park

Legacies

The Late Ken Quanborough
The Late Neill Ken Kerr
The Late Mrs Helen Spicer

Our thoughts are with their families and loved ones, and we are very grateful for their kind donations.

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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**CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016**

Fundraising Summary

The 2016 strategy required the Trust to continue to attract new individual, company and grant donors, and at the same time to increase engagement with our existing supporters by reporting back to them the impact their financial support is having on the Railway now, and in the future.

There were plans for more resource to be allocated to generating funds from grant giving bodies and companies, however the departure of the Fundraising Officer and the subsequent 40% reduction in resources had a significant impact on the focus for the team, and as a result of this a dedicated focus on increased income from grant giving bodies and companies could not be prioritised over the engagement of existing supporters, delivery of planned events and increasing the amount raised for the endowment Future Fund which qualifies for Heritage Lottery match funding through their Catalyst Grant

Key achievements to date

Regular and single donations: There are more than 400 people signed up as regular or single donors. Many of these are new to the Railway, which gives a good opportunity for us to develop our relationship with them, taking them along the supporter journey towards lifelong engagement with the SVR.

Launch of a £1million Appeal: A total of £668,000 was raised for the endowment Future Fund, leaving £332,000 to be raised by June 2017. The £1million Appeal was aimed at SVR Charitable Trust donors, SVR Members and Shareholders and visitors, clearly emphasising the boosting effect of the HLF match-funding and Gift Aid on donations made before June 2017.

Investment Manager for the Endowment Future Fund: Ian Burrows, a Chartered Wealth Manager at Brewin Dolphin was selected following interview. The strengths identified were that a Birmingham-based organisation would fit the values of the Railway and the SVR Charitable Trust, that the portfolio will be tailor-made and allows access to a wider range of funds giving more flexibility, and that Brewin Dolphin's charging structure was very competitive.

Text to Give: We set up a scheme to encourage people to make a donation by text. The thinking was to make it very quick and easy for visitors to give to the Railway. With up to 250,000 visitors expected annually, this was planned as an additional income stream for the Endowment Future Fund.

In memoriam donations: In the past year, donations to the Trust have been gratefully received in loving memory of:

Roy Bannister	Christopher John Smith
Peter David Brass	John Smith
Ronald Evans	Michael John Smith
David Hall	Michael Thomas Smith
Ronald Julian	David Togni
William John Lepley	David Walden
Andrew Norris	Lance Arthur Warren
Colin Robinson	

Our thoughts are with those left behind, and we are very grateful for the donations they have made in memory of their loved ones.

Special thanks to the family of Andrew Norris for their donation in memory. Andrew passed away very suddenly and is greatly missed by the Charitable Trust office where he volunteered.

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**CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016**

Legacies: We now have £2million of pledged legacies, and continue to communicate to our existing supporters how vital these donations will be in the future. Our Will writing partner, Steve Pitts from Thursfields LLP has written a series of articles for SVR News on 'putting your affairs in order'. Many of our legacy pledgers have commented that they were encouraged and touched by our 'Lasting Tribute' offer, as detailed below.

'Lasting Tribute' for legacy donors: We launched a scheme to recognise and pay tribute to supporters from whose Wills we have received a legacy of more than £25,000. Their friends and family will be invited to have private use of the Observation Saloon to make a 'journey of remembrance' in celebration of the donor's life and their affection for the Railway.

Corporate Partnership Club: We welcomed a number of new member companies including Walsh Construction, Severn Trent, Higgs & Sons Solicitors, HSBC and Handelsbanken. One of our corporate partners, Nexus Creative, celebrated its 20th birthday by putting on a special day for clients and friends at the Engine House, Highley. They were delighted with the memorable venue and the staff and volunteers who "worked magic to make our event seamless and unique."

Worcester Race Day June 2016: A second Worcester Race Day, organised in conjunction with the Worcestershire Fundraising Committee, took place in June 2016. It attracted wide support from local businesses and raised almost £20,000 for the Charitable Trust. We would like to express our thanks to Phil Dutton and Julie Woodhouse from Handelsbanken who were instrumental in the success of the day.

Gala Events: The Charitable Trust has continued to have a presence at major Railway events, in order to thank existing supporters, actively recruit new ones and generally raise the profile of the Trust's work for the SVR.

Communications Officer: Lesley Carr joined the Team, bringing a wealth of journalistic and communication expertise. Lesley has been engaging with our supporters to highlight the impact their donations are having now, and will have in the future. This is helping both to retain and uplift our supporter base. She is also promoting the work of the Charitable Trust to the wider world, by generating coverage in both the heritage and general press.

Project Funding & Restoration during 2016

Heritage Skills Training Academy (HSTA): Now in its third year, the Academy continues to prosper as it develops and nurtures the SVR team of engineering apprentices. Its students work across the various departments of the Railway, and are at different stages of their apprenticeships. Attendance at college is combined with on-the-job training at the Railway. During this year, 96% of the Academy's funding has been provided by the Charitable Trust.

Diesel Depot: The official opening of this state-of-the-art facility took place in May 2016. The Charitable Trust has contributed £30,000 to the cost. During the subsequent Diesel Gala, collection buckets were used to generate a further £2,293 for Diesel related projects.

Track Work: Half a mile of track between Bridgnorth and Eardington was chosen by the Railway as the section most in need of re-laying this year and the Charitable Trust contributed £30,000 towards the cost of the work, which took place in January-February 2016.

4930 Hagley Hall: Work on restoring this locomotive continued to be a major commitment for the Engineering Workshops at Bridgnorth. This project has provided ongoing opportunities for Academy apprentices to develop their heritage engineering skills, working alongside volunteers and paid staff.

Rolling stock: The LNER (SVR) Coach Fund has donated its remaining two carriages (GNR 2701 and TTO/Wheelchair carriage 24105) to the Charitable Trust. Furthermore, the SVR Holdings Company has agreed to transfer its two Gresleys (Buffet Car 643 and TTO 43612) to the Trust on mutually acceptable terms. This means the Charitable Trust now owns all nine of the Gresley teak carriages on the SVR, thus securing their ownership for the long term.

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**CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016**

The Trust's working groups have continued to play a strong and important role during the period under review.

The members of the LNER Coach Group in particular have had a wonderful time, as their major project to deliver the 'Pigeon Van' into service was achieved. Not content with that, they came to the aid of the Company staff by undertaking the renewal of the roof canvas on another Trust vehicle, 43600, down in the chiller cabinet that is the Carriage Storage Shed during January and February. In order to warm themselves up again, they then joined in with the same task on another Trust Gresley coach, 52255, in the comfort of the paintshop. I must thank Richard Gunning for bringing his team to bear on these issues, and it doesn't stop there. The major refit of 52255 was in no small part assisted by components made and paid for by the efforts of the Coach Group, and we have Richard Hill's strategic fundraising to thank for that. The same team are currently engaged on a massive rebuild of Great Western Railway 'Toad' Goods Brake 17410, now owned by the Trust. Richard's proven fund raising methods are going a long way to achieve this. These donations of components and labour are absolutely vital to helping the hard-stretched Company staff.

Restoration work was completed on the Trust-owned LNER 7960 carriage, allowing it to travel to London in April for the unveiling of Sir Nigel Gresley's statue at Kings Cross station. This high-profile occasion allowed the SVR's splendid restoration skills to be showcased to a new and wider audience.

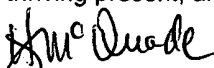
I must also thank the small team of volunteers looking after the shunt engines at Kidderminster, as they have made use of a cash dowry from the now-closed SVR Association South East Branch, in support of repairs to Ruston Shunter 'Silver Spoon' which was transferred to the Trust early in the year.

Up at Bridgnorth a number of volunteers, including Trust Treasurer Paul Thursfield, are progressing the conversion to wheelchair use of coach 4399. This project was awarded £75,000 grant funding from the Department for Transport, and in order to complete within the DfT-stipulated timescale of two years, it will require weekly visits from Kidderminster Works apprentices, to contribute their welding and fitting skills.

Board of Trustees: During the year, we bade a fond farewell to founder Trustee and former Company Secretary Stewart Clark. Stewart's input to the Trust has been immense, and it is fair to say that he was the engine driving it forward and keeping us in order for most of its existence. He was a strong advocate for the changes and expansion from the Rolling Stock Trust to the SVR Charitable Trust that took place in recent years. Stewart has reached an age at which a lighter work load is prudent, but has not completely severed ties with the Trust; he has been manufacturing luggage rack netting at home, for use in the Trust's various carriages, and he also remains active as a coach repairer at Bridgnorth on our wheelchair conversion project. Personally, I will very much feel his absence by my side at Board meetings, as a guide and confidant.

Meanwhile, joining the Trust Board is another recruit from the fertile grounds of the Carriage department, David Mead. David has been working with me at Kidderminster, and is particularly focused on creating the kitchen in the Trust's Gresley Restaurant Kitchen Car 7960 in time for use behind Flying Scotsman during September 2016. He brings engineering management knowledge, as well as experience of charity work through both Church and Darjeeling Himalayan Railway projects

And finally, I would also like to extend a huge thank you to all the Charitable Trust's donors. Whether they make a single or regular donation, or whether they chose to leave a legacy in their Will, or make a donation in memory of a loved one, every single one of them is instrumental in ensuring that our wonderful Railway continues to have a thriving present, and is at the same time firmly establishing a sustainable future.


Name **Hugh McQuade**
Chairman

Date **27 February 2017**

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

TRUSTEES' REPORT
FOR THE YEAR ENDED 30 JUNE 2016

The Trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 June 2016. The trustees have adopted the provisions of the Statement of Recommended Practice (Charities SORP (FRS 102) 'Accounting and Reporting by Charities'.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Severn Valley Railway Charitable Trust Limited, which changed its name from SVR Rolling Stock Trust Company on 29 June 2012, was incorporated and registered as a company limited by guarantee, company registration number 04341280, on 17 December 2001, and was registered with the Charity Commission on 1 July 2002, registration number 1092723. It is governed by its Memorandum and Articles of Association, which were last amended on 26 February 2014.

Method of appointment or election of trustees

Trustees are elected for a 3 year period at the AGM by the members of the trust.

All the charity trustees receive an induction into their legal and administrative responsibilities, with an on-going training programme as and when needed for issues arising during their term of office.

Organisational structure and decision making

The Board of Trustees has delegated the day to day running of the charity to the senior management team. The Board of Trustees meets at least four times a year to review the charity's performance and administration generally and to decide policy issues arising.

Risk management

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

Principal Risks and Uncertainties

The Trustees endeavour to continually raise funds and to further support the Severn Valley Railway. The principal risks associated with the organisational activities are categorised as a loss of income mitigated by implementing strong and targeted marketing and fundraising strategies; financial fraud and error will be mitigated with robust processes and procedures which incorporate active segregation of duties and practices; lack of fundraising ability is mitigated with a dedicated fundraising team to deliver a targeted fundraising strategy.

OBJECTIVES AND ACTIVITIES

Policies and objectives

The objectives of the Severn Valley Railway Charitable Trust (SVR CT) are to advance education for the benefit of the public by:

Financing the acquisition, restoration, preservation and operation of heritage locomotives, coaches, wagons, buildings, track and other associated infrastructure.

Establishing buildings to house and preserve the Severn Valley Railway Charitable Trust rolling stock collection.

Providing educational and interpretive displays for the travelling public.

Providing education and skills training used in the restoration, repair and operation of historic railways to ensure their long-term survival.

In setting the Charity's policy and planning its activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2016

FINANCIAL REVIEW

Reserves policy

The Reserves policy of the charity is to maintain a level of unrestricted funds, not committed or invested in tangible assets, which will enable the charity to ensure continuity of activity and have the ability to adjust, in a measured way, to any significant changes in resources. The Reserves policy recognises that reserves are necessary to maintain the day to day operations of the charity for a period of up to 6 months. This would currently equate to approximately £75,000. The appropriate measure of free reserves is therefore net assets, less restricted and designated funds, less fixed assets attributable to unrestricted funds. Currently this amount is £218,620. At the September Trustees' meeting, a donation of £135,000 relating to three projects was made to Severn Valley Railway Holdings Plc, therefore spending any free reserves held in excess of the policy.

Monthly management accounts are prepared by the Treasurer and submitted to the Officers and the Board of Trustees. The annual accounts are independently examined. It is considered that there is an adequate system of internal control in place.

A Strategic Plan and an annual budget are approved by the Trustees; Regular consideration by the Trustees of financial results, variance from budgets, non-financial performance indicators and benchmarking reviews. Delegation of authority and segregation of duties, and identification and management of risks. The Officers review external developments and consider the risks and opportunities these present to the charity in fulfilling its objects.

Investment policy

The Heritage Lottery Fund Catalyst: Endowment Fund is held in a managed fund by Brewin Dolphin.

The initial investment on 30 September 2015 amounted to £210,000 of donations towards the fund.

The Trustees aim is to achieve a balance between total return primarily through capital growth with a medium risk investment policy over the long term i.e. over a period 10 years or more. They seek to achieve long term growth of capital and income maintaining the value of both in real terms over time. A total return approach should be taken as it is likely that income will be accumulated for some years to establish a substantial Endowment Fund to safeguard the future of the SVR. At that time there may be an increasing income requirement to help to protect the Railway's rolling stock, bridges, viaducts, buildings, and other infrastructure and in so doing safeguard the future of the Railway.

The Trustees, in consultation with the Investment Manager, have agreed the following investment strategy:

The investment of the funds should follow a total return (excluding inflation) approach; aiming to generate income and capital growth in order to achieve the SVR Endowment Fund objective of growing the income and capital in real terms over time.

The Trustees have directed the Investment Manager that there are no specific investment restrictions but, whilst the investments are valued at less than £500,000 they expect the investments in any equity holdings to be through collectives in order to spread risk. If and when individual equities are included in the fund, no individual equity should exceed 5% of fund value. Equity collectives should be restricted to 10% of the fund unless otherwise agreed by the Investment Committee.

The power to invest on a total return basis is included in the Articles of Association.

Brewin Dolphin have used the WMA Balanced Total Return Index to determine the value of the fund in real terms. It is measured by Brewin Dolphin and reported to the trustees who review the performance on a regular basis.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2016

Currently, there is no unapplied total return as all income generated is to be re-invested in the fund. During the year, donations of £651,141 have been invested, including the initial £210,000 on 30 September 2015. Investment income of £2,833 has been generated during the year which remains within the endowment fund.

Key Management Personnel

Key management personnel are remunerated in line with sector averages. Salary reviews take place annually and are approved by the Trustees. Payment is made monthly in arrears.

PROVISION OF INFORMATION TO INDEPENDENT EXAMINER

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant accounts information of which the charitable company's independent examiner's are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's independent examiner's in connection with preparing their report and to establish that the charitable company's independent examiner's are aware of that information.

TRUSTEES RESPONSIBILITY STATEMENT

The Trustees (who are also directors of Severn Valley Railway Charitable Trust Limited for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

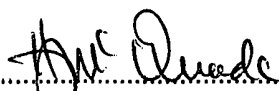
Company and charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by order of the board of trustees on 21/2/17 and signed on its behalf by:


.....
H J McQuade
Trustee

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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**MESSAGE FROM THE DEVELOPMENT BOARD CHAIR
FOR THE YEAR ENDED 30 JUNE 2016**

The early preservationists of the Severn Valley Railway started their ambitious task more than 50 years ago. Over the intervening decades, thanks to the hard work of those determined pioneers, and of the many thousands that have followed them, the vision of a working, thriving heritage railway has been achieved, to an extent that could not have been imagined in those early days.

The SVR means different things to different people; for visitors it's a trip down memory lane, an educational 'window into the past', and an exciting day out. For 1,500 volunteers it provides a focus for enthusiasm and an outlet for skills and ingenuity. For businesses, it plays a hugely important role, with the Heritage Railway Association research indicating, for every £1 spent at the SVR, a further £2 is spent in the local economy.

The SVR's day-to-day running costs are covered by the income from tickets and the retail and catering outlets. However, that's not the full story. We need significant, additional funds to maintain the ageing infrastructure and rolling stock and to develop the Railway to meet the demands of today's passengers.

That's why the SVR Charitable Trust exists; to raise enough money to safeguard the future of the Railway, to continue the work of the pioneers and to keep the SVR running for the benefit of generations to come. For these reasons, I feel honoured to be involved, and to contribute my time and money to the Railway, and I very much hope that you feel the same.

John Leftwich
Fundraising Board Chair, Trustee, Enthusiast

History and Vision of the Severn Valley Railway

One of the leading standard-gauge heritage railways in the country, the SVR runs regular steam- and diesel-hauled passenger trains on the 16-mile route between Kidderminster in Worcestershire and Bridgnorth in Shropshire. It offers spectacular and unique views, with charming Victorian country stations.

Many visitors don't realise that the Railway is largely run by 1,500 unpaid volunteers, who carry out a huge variety of tasks, such as repairing and repainting stations, maintaining track and rebuilding locomotives and rolling stock, and of course, operating the trains themselves! Many of the trades require training; this is provided by experienced hands, who also pass on their skills to younger generations.

Preservation scheme

The original Severn Valley Railway ran for 101 years, closing in 1963. A group of railway enthusiasts formed the Severn Valley Railway Society in 1965, to begin the mammoth task of preservation. Thanks to the time, dedication and fundraising efforts of thousands of volunteers, supported by a small and committed team of paid staff, the Railway has grown to become a major national and international tourist attraction, enjoyed by some 250,000 passengers a year.

However, maintaining and operating one of the world's leading heritage railways is not an easy task. Volunteers have run trains for more than 50 years – over half the lifetime of the original Railway – and one of the biggest challenges we face is ensuring our changing workforce have the specialist heritage skills we require.

Locomotive overhaul is required every 10 years, on the expiration of the boiler ticket, and it costs around £800,000. Parts must be custom-made, and considerable specialised labour is needed. The SVR needs 12 locomotives to run its trains, with a further two being overhauled, ready to replace those with expiring boiler certification.

As we look forward to the next 50 years, there are plans being made for further investments in the Railway and rolling stock to ensure its continued preservation and operation. The total cost exceeds £10 million and this will be phased as funds become available

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MESSAGE FROM THE DEVELOPMENT BOARD CHAIR (continued)
FOR THE YEAR ENDED 30 JUNE 2016

The Severn Valley Railway Charitable Trust's role

Key projects were identified for the first phase of investment, and the Charitable Trust is calling on the support of individual benefactors, corporate sponsors, statutory funders, and grant-making trusts, and in due course gifts from the wider community..

Heritage Skills Training Academy

The SVR launched its pioneering Academy in 2013 to meet the challenge of an ageing workforce. Through a combination of on-site training and attendance at college, apprentices learn traditional methods of working, and essential skills such as locomotive fitting, boiler smithing, carriage joinery and building restoration and maintenance. The Railway's well-developed workshops are an excellent environment for experts to pass on skills.

Restoration of 4930 'Hagley Hall' and associated GWR carriage set

Locomotive 4930 'Hagley Hall' was built by the Great Western Railway in 1929, and was restored to working order in 1979 at the SVR. It is entirely suited to this line and has many supporters and friends amongst the membership. There are plans to restore an historic set of GWR carriages to run with the locomotive. This historic fleet of coaches includes a 'toplight' carriage built in the early 1900s with an early Edwardian interior.

The Bridgnorth Redevelopment Project

The Railway's continued success depends on its northern terminus at Bridgnorth becoming an outstanding visitor destination in its own right. Planned works include the building of a new Great Western style refreshment room, the reinstatement of the original Grade II listed booking hall and waiting room, as well as the installation of a turntable allowing visitors to see the spectacle of locomotives turning. The Charitable Trust is seeking donations in support of the Bridgnorth development, which will be eligible for Gift Aid. In addition, a share offer will be launched in 2016 by Severn Valley Railway (Holdings) plc.

Endowment Fund

The SVR Charitable Trust endowment Future Fund will future proof the Railway in the years ahead. The interest from the endowment, funded mainly through legacies and donations, will support the continuing restoration of historic rolling stock and infrastructure.

Other Fundraising Projects

As well as the projects highlighted above, the Charitable Trust raises funds for an array of infrastructure, track and rolling stock restoration projects, for example Bewdley viaduct, Eardington track works and the Toad 'Van A' 17410.

Vision for the future

The Charitable Trust will help the SVR achieve its vision for the next 50 years, so that when the Railway celebrates its centenary in 2065, it will have evolved to meet the needs of future generations. The 50-year vision for the SVR will be built on three platforms:

World-class ambitions

- Creating a world-class Heritage Railway, with ambitious projects and programmes to engage people and provide a meaningful understanding of the power of steam.
- Building international recognition as one of the best Heritage Railways in the world.
- Becoming a 'best in class' reference for heritage conservation skills, techniques and technical skills for the maintenance of heritage steam locomotives and rolling stock.
- Being a leader in the field in providing a safe environment at the Railway for staff, volunteers, passengers, visitors and other members of the public.

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MESSAGE FROM THE DEVELOPMENT BOARD CHAIR (continued)
FOR THE YEAR ENDED 30 JUNE 2016

Partnership

- Engaging with technical colleges to provide first-class apprenticeships in railway maintenance skills.
- Creating value through innovative commercial partnerships that generate profits and raise the awareness of the Railway.
- Working collaboratively to foster tourism and encourage investment in visitor attractions across the region.

Volunteer leadership

- Building on the volunteer culture that has sustained the Railway over the first 50 years, such that becoming an SVR volunteer continues to be an enjoyable and worthwhile pastime.
- Investing in training and facilities that enhance the volunteer experience and encourage wider participation in all parts of the Railway's operation by committed and skilled volunteers.
- Creating an ongoing fundraising programme that engages volunteers and is enhanced by the personal enthusiasm and connections that they bring to the SVR Charitable Trust.

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

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

I report on the financial statements of the company for the year ended 30 June 2016 which are set out on pages 14 to 30.

This report is made solely to the company's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's Trustees as a body, for my work or for this report.

Respective Responsibilities of Trustees and Examiner

The Trustees, who are also the directors of the company for the purposes of company law, are responsible for the preparation of the financial statements. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the Act) and that an independent examination is needed. The company's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of ICAEW.

Having satisfied myself that the company is not subject to audit under charity or company law and is eligible for independent examination, it is my responsibility to:

- examine the financial statements under section 145 of the Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Act; and
- state whether particular matters have come to my attention.

Basis of Independent Examiner's Report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the company and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare financial statements which accord with the accounting records and comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities
- have not been met; or

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

INDEPENDENT EXAMINER'S REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2016

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Signed:



Dated:

28/2/17

R D Darlaston FCA

Crowe Clark Whitehill LLP

Chartered Accountants

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income and endowments from:						
Donations and legacies	2	561,965	68,445	261,967	892,377	228,897
Fundraising	3	37,752	-	-	37,752	55,362
Investments	4	249	-	2,833	3,082	167
Total income and endowments		599,966	68,445	264,800	933,211	284,426
Expenditure on:						
Raising funds		99,401	750	-	100,151	83,470
Charitable activities		107,185	59,584	-	166,769	146,703
Total expenditure	9	206,586	60,334	-	266,920	230,173
Net income before investment gains		393,380	8,111	264,800	666,291	54,253
Net gains on investments	13	-	-	16,320	16,320	-
Net income before transfers		393,380	8,111	281,120	682,611	54,253
Transfers between Funds	17	(200,000)	-	200,000	-	-
Net movement in funds		193,380	8,111	481,120	682,611	54,253
Reconciliation of funds:						
Total funds brought forward		182,608	151,515	209,582	543,705	489,452
Total funds carried forward		375,988	159,626	690,702	1,226,316	543,705

The notes on pages 17 to 30 form part of these financial statements.

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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REGISTERED NUMBER: 04341280

**BALANCE SHEET
AS AT 30 JUNE 2016**

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	12		157,368		69,574
Investments	13		692,961		24,435
			<u>850,329</u>		<u>94,009</u>
Current assets					
Stocks		3,333		3,333	
Debtors	14	26,182		43,173	
Cash at bank and in hand		395,966		462,586	
		<u>425,481</u>		<u>509,092</u>	
Creditors: amounts falling due within one year	15	(49,494)		(59,396)	
Net current assets			<u>375,987</u>		<u>449,696</u>
Net assets			<u>1,226,316</u>		<u>543,705</u>
Charity Funds					
Endowment funds	17		690,702		209,582
Restricted funds	17		159,626		151,515
Unrestricted funds	17		375,988		182,608
Total funds			<u>1,226,316</u>		<u>543,705</u>

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the Trustees on 27/2/17 and signed on their behalf, by:


.....
H J McQuade, Chairman


.....
N C Paul CBE

The notes on pages 17 to 30 form part of these financial statements.

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

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	19	<u>620,629</u>	<u>110,835</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(35,043)	-
Proceeds from sale of investments		35,919	-
Purchase of investments		<u>(667,617)</u>	<u>-</u>
Net cash used in investing activities		<u>(666,741)</u>	<u>-</u>
Change in cash and cash equivalents in the year		(46,112)	110,835
Cash and cash equivalents brought forward		<u>462,586</u>	<u>351,751</u>
Cash and cash equivalents carried forward	20	<u><u>416,474</u></u>	<u><u>462,586</u></u>

There are restricted funds held as cash amounting to £159,626.

The notes on pages 17 to 30 form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

1. Accounting Policies

1.1 Company status

The Severn Valley Railway Charitable Trust Limited is a company limited by guarantee in England, whose registered office is Number One, Comberton Place, Kidderminster, Worcestershire, DY10 1QR. The company's registered number is 04341280. The members of the company are the Trustees named on page 1. In the event of the Severn Valley Railway Charitable Trust Limited being wound up, the liability in respect of the guarantee is limited to £1 per member of the Severn Valley Railway Charitable Trust Limited.

1.2 Basis of preparation of financial statements

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

Severn Valley Railway Charitable Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.3 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

1.4 Going concern

The company has cash resources and has no requirement for external funding. The trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

1.5 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds are funds which are restricted for the purpose of generating future income for the Trust for the continuance of its activities. This is matched by the Heritage Lottery Fund (HLF).

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

1. Accounting Policies (continued)

1.6 Income

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

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated assets are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated assets are recognised on the basis of the value of the gift to the company which is the amount the charity would have been willing to pay to obtain the assets on the open market.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.7 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

1. Accounting Policies (continued)

1.8 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Artefacts	- 10% straight line
Rolling stock	- 10% straight line
Office equipment	- 33% straight line

1.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities incorporating income and expenditure account.

The Heritage Lottery Fund Catalyst: Endowment Fund is held in a managed fund by Brewin Dolphin.

1.10 Investment Income

Income generated from the Heritage Lottery Fund Catalyst: Endowment fund is treated as endowment income, unless it relates to any unapplied total return. If this is the case, the income is treated as restricted and held in a separate fund of the same name. The income is restricted to the restoration of rolling stock.

1.11 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.12 Stocks

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

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

1. Accounting Policies (continued)

1.13 Liabilities 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 recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.14 Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently at their settlement value at the balance sheet date.

1.15 Critical accounting estimates and areas of judgement

Preparation of the financial statements may require management to make significant judgments and estimates. There are significant estimates made in valuation of donated rolling stock. These valuations are based on the significant experience of the Trustees and the market price paid for similar vehicles.

2. Income from donations and legacies

	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	542,677	35,270	23,094	601,041	159,073
Income tax reclaimable	19,288	3,232	5,673	28,193	17,457
Grants	-	29,943	233,200	263,143	52,367
Total donations and legacies	561,965	68,445	261,967	892,377	228,897

In 2015, of the total income from donations and legacies, £94,806 was to unrestricted funds, £76,927 was to restricted funds and £57,164 was to endowment funds.

Included within donations is £67,398 (2015: £NIL) relating to the market value of donated rolling stock.

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

3. Fundraising income

	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	Total funds 2015 £
Fundraising income	37,752	-	-	37,752	55,337
Income tax reclaimable	-	-	-	-	25
	<u>37,752</u>	<u>-</u>	<u>-</u>	<u>37,752</u>	<u>55,362</u>

In 2015, of the total income from other trading activities, £55,362 was to unrestricted funds and £ NIL was to restricted funds.

4. Investment income

	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	Total funds 2015 £
Dividend income	-	-	2,833	2,833	-
Interest receivable	249	-	-	249	167
	<u>249</u>	<u>-</u>	<u>2,833</u>	<u>3,082</u>	<u>167</u>

In 2015, of the total investment income, £ 167 was to unrestricted funds and £ NIL was to restricted funds.

5. Costs of raising funds

	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	Total funds 2015 £
Fundraising costs	18,756	750	-	19,506	18,669
Support costs	5,552	-	-	5,552	3,808
Support costs - staff costs	71,763	-	-	71,763	60,775
Support costs - depreciation	195	-	-	195	218
	<u>96,266</u>	<u>750</u>	<u>-</u>	<u>97,016</u>	<u>83,470</u>

In 2015, of the total costs of raising funds, £82,695 was to unrestricted funds and £ 775 was to restricted funds.

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

6. Charitable activities

	Total 2016 £	<i>Total 2015 £</i>
Railway restoration	115,343	89,393
Engineering academy	35,000	45,790
Depreciation	14,452	10,620
	<u>164,795</u>	<u>145,803</u>

7. Support costs

	2016 £	<i>2015 £</i>
Professional fees	2,250	770
Telephone, postage & stationery	2,120	2,112
Travel and subsistence	772	610
Bank charges	390	256
Training	20	60
Wages and salaries	71,763	60,775
Depreciation	195	218
	<u>77,510</u>	<u>64,801</u>
Total	<u>77,510</u>	<u>64,801</u>

8. Management and administration

	Charitable activities £	Total 2016 £	<i>Total 2015 £</i>
Independent examination fees	1,974	1,974	900
	<u>1,974</u>	<u>1,974</u>	<u>900</u>

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

9. Analysis of resources expended by expenditure type

	Staff costs 2016 £	Depreciation 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Costs of generating voluntary income	71,763	195	25,058	97,016	83,470
Investment management costs	-	-	3,135	3,135	-
Costs of generating funds	71,763	195	28,193	100,151	83,470
Railway restoration and education	-	14,452	150,343	164,795	145,803
Management and administration	-	-	1,974	1,974	900
Charitable activities	-	14,452	152,317	166,769	146,703
	71,763	14,647	180,510	266,920	230,173

10. Net incoming resources/(resources expended)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets: - owned by the charity	14,647	10,838

During the year, no Trustees received any remuneration (2015 - £NIL).

During the year, no Trustees received any benefits in kind (2015 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

11. Staff costs

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	<u>71,763</u>	<u>60,775</u>

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

	2016 No.	2015 No.
	3	2

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the charity is the Director of Development. The total benefits of key management personnel of the charity were £45,526 (2015: £41,046).

12. Tangible fixed assets

	Artefacts £	Rolling stock £	Office equipment £	Total £
Cost				
At 1 July 2015	3,445	102,750	656	106,851
Additions	-	102,000	441	102,441
At 30 June 2016	<u>3,445</u>	<u>204,750</u>	<u>1,097</u>	<u>209,292</u>
Depreciation				
At 1 July 2015	1,332	35,400	545	37,277
Charge for the year	345	14,107	195	14,647
At 30 June 2016	<u>1,677</u>	<u>49,507</u>	<u>740</u>	<u>51,924</u>
Net book value				
At 30 June 2016	<u>1,768</u>	<u>155,243</u>	<u>357</u>	<u>157,368</u>
At 30 June 2015	<u>2,113</u>	<u>67,350</u>	<u>111</u>	<u>69,574</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

13. Fixed asset investments

	Listed securities £	Unlisted securities £	Total £
Market value			
At 1 July 2015	-	24,435	24,435
Additions	667,617	-	667,617
Disposals	(35,919)	-	(35,919)
Revaluations	16,320	-	16,320
Movements in cash held by Broker	20,508	-	20,508
	<u>668,526</u>	<u>24,435</u>	<u>692,961</u>
At 30 June 2016	<u>668,526</u>	<u>24,435</u>	<u>692,961</u>

Investments at market value comprise:

	2016 £	2015 £
Listed investments	668,526	-
Market value of shares held in SVR (Holdings) Plc	24,435	24,435
	<u>692,961</u>	<u>24,435</u>
Total market value	<u>692,961</u>	<u>24,435</u>

All the fixed asset investments are held in the UK

The endowment fund has been invested on a total return basis. Currently, there is no unapplied total return as all income generated is to be re-invested in the fund. During the year, donations of £651,141 have been invested, including the initial £210,000 on 30 September 2015. This amount has been transferred into the Broker account for Brewin Dolphin to invest in line with the investment policy. Investment income of £2,833 has been generated during the year, which remains within the endowment fund.

14. Debtors

	2016 £	2015 £
Other debtors	26,182	43,173
	<u>26,182</u>	<u>43,173</u>

15. Creditors: Amounts falling due within one year

	2016 £	2015 £
Loan from SVR (Holdings) Plc	-	47,000
Accruals and deferred income	49,494	12,396
	<u>49,494</u>	<u>59,396</u>

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

15. Creditors: Amounts falling due within one year (continued)

	£
Deferred income	
Deferred income at 1 July 2015	-
Resources deferred during the year	<u>28,820</u>

£28,820 (2015: £NIL) was deferred in June 2016 as the income related to advanced ticket sales for events after the year end.

16. Financial instruments

	2016 £	2015 £
Financial assets measured at fair value through income and expenditure	1,088,927	462,586
Financial assets measured at amortised cost	<u>26,182</u>	<u>43,173</u>
	<u>1,115,109</u>	<u>505,759</u>
Financial liabilities measured at amortised cost	<u>20,674</u>	<u>59,396</u>

Financial assets measured at fair value through income and expenditure comprise listed investments, unlisted investments and cash at bank and in hand.

Financial assets measured at amortised cost comprise other debtors.

Financial liabilities measured at amortised cost comprise accruals.

17. Statement of funds

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	<u>182,608</u>	<u>599,966</u>	<u>(206,586)</u>	<u>(200,000)</u>	<u>-</u>	<u>375,988</u>
Endowment funds						
Heritage Lottery Fund Catalyst: Endowments fund	<u>209,582</u>	<u>264,800</u>	<u>-</u>	<u>200,000</u>	<u>16,320</u>	<u>690,702</u>

SEVERN VALLEY RAILWAY CHARITABLE TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

17. Statement of funds (continued)

Restricted funds

Hinton Manor 7819	11,227	1,136	-	-	-	12,363
LNER Restaurant						
Composite 7960	388	750	(144)	-	-	994
Mark 1 TSO 4509	2,791	-	-	-	-	2,791
LMS & BR Coach						
Department	10,877	5,677	(316)	-	-	16,238
LNER Coach						
52255	1,173	-	(227)	-	-	946
LNER Coach						
Department	15,038	6,825	(16,084)	-	-	5,779
Hagley Hall 4930	79,049	15,671	(750)	-	-	93,970
Diesel Facility	6,869	2,518	(7,601)	-	-	1,786
Engineering						
Academy	24,103	34,978	(35,000)	-	-	24,081
Diesel Shunter						
'Silver Spoon'	-	400	(110)	-	-	290
Toad Brake Van						
A17410	-	240	(102)	-	-	138
Bridgnorth Station						
Restoration Fund	-	250	-	-	-	250
	<u>151,515</u>	<u>68,445</u>	<u>(60,334)</u>	<u>-</u>	<u>-</u>	<u>159,626</u>
Total of funds	<u>543,705</u>	<u>933,211</u>	<u>(266,920)</u>	<u>-</u>	<u>16,320</u>	<u>1,226,316</u>

Summary of funds

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	182,608	599,966	(206,586)	(200,000)	-	375,988
Endowment funds	209,582	264,800	-	200,000	16,320	690,702
Restricted funds	151,515	68,445	(60,334)	-	-	159,626
	<u>543,705</u>	<u>933,211</u>	<u>(266,920)</u>	<u>-</u>	<u>16,320</u>	<u>1,226,316</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

17. Statement of funds (continued)

HLF Catalyst Endowment	This is a restricted fund for the purpose of creating a future income for the Trust for the continuance of its activities. Monies raised are matched funded by Heritage Lottery Fund (HLF) up to a maximum of £500,000.
Hinton Manor 7819	This is a restricted fund for the purpose of returning the locomotive to service.
LNER Restaurant Composite 7690	This is a restricted fund for the purpose of restoring the vehicle to service.
Mark 1 TSO 4509	This is a restricted fund for the purpose of completion of restoration.
LMS & BR Coach Department	This is a restricted fund for the purpose of restoring LMS & BR built vehicles to original condition.
LNER Coach 52255	This is a restricted fund for the purpose of improving LNER coach 52255.
LNER Coach Department	This is a restricted fund for the purpose of restoring LNER built vehicles to original condition.
Hagley Hall 4930	This is a restricted fund for the purpose of restoring the locomotive 4930 Hagley Hall' to service.
Diesel Facility	This is a restricted fund to provide a purpose built facility for the restoration and maintenance of diesel locomotives.
Engineering Academy	This is a restricted fund for the purpose of providing training in railway engineering skills.
Diesel Shunter 'Silver Spoon'	This is a restricted fund for the purpose of restoring the locomotive to service.
Toad Brake Van A17410	This is a restricted fund for the purpose of restoring the vehicle to service.
Bridgnorth Station Restoration Fund	This is a restricted fund for the purpose of restoring the station.

The transfer from unrestricted funds to endowment funds has been made in line with the investment policy objectives and aims of the Trust to have an endowment fund of £10 million to safeguard the future of the Severn Valley Railway.

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18. Analysis of net assets between funds

	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	157,368	-	-	157,368	69,574
Fixed asset investments	24,435	-	668,526	692,961	24,435
Current assets	243,679	159,626	22,176	425,481	509,092
Creditors due within one year	(49,494)	-	-	(49,494)	(59,396)
	<u>375,988</u>	<u>159,626</u>	<u>690,702</u>	<u>1,226,316</u>	<u>543,705</u>

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

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	682,611	54,253
Adjustment for:		
Depreciation charges	14,647	10,838
Changes in market valuation	(16,320)	(281)
Decrease in debtors	16,991	43,135
(Decrease)/increase in creditors	(9,902)	2,890
Donated goods	(67,398)	-
Net cash provided by operating activities	<u>620,629</u>	<u>110,835</u>

20. Analysis of cash and cash equivalents

	2016 £	2015 £
Cash in hand	395,966	462,586
Cash held by Broker	20,508	-
Total	<u>416,474</u>	<u>462,586</u>

21. Related party transactions

During the year the charity donated £145,750 (2015: £95,290) to Severn Valley Railway Plc. The charity also purchased carriages for £9,600 (2015: £NIL) from Severn Valley Railway Holdings Plc.

During the year the charity repaid £47,000 (2015: £NIL) loaned by Severn Valley Railway Holdings Plc. Included with creditors is an amount of £5,134 (2015: £52,603) owed to Severn Valley Railway Holdings Plc which relates to recharges and the loan from Severn Valley Railways Holdings Plc which was repaid in the year.

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22. First time adoption of FRS 102

It is the first year that the company has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 30 June 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 July 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the company's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.