

**NORTH OF ENGLAND HISTORIC  
RAILWAY TRUST LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2006**

Charity Commission Reference Number 1092957

Company Registered Number 4393170

**WALTER DAWSON & SON**

**Chartered Accountants**

7 Wellington Road East  
Dewsbury  
WF13 1HF

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NORTH OF ENGLAND HISTORIC RAILWAY TRUST LIMITED  
REPORT AND FINANCIAL STATEMENTS

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# NORTH OF ENGLAND HISTORIC RAILWAY TRUST LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

### 1. CONSTITUTION

North of England Historic Railway Trust Limited is a company limited by a guarantee (Company No. 4393170) and a registered charity (Charity No. 1092957) governed by its Memorandum and Articles of Association.

### 2. DIRECTORS AND TRUSTEES

The directors of the charitable company ("the charity") are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

The trustees serving during the year and since the year end were as follows:

Chairman and Treasurer: W David Smith

Secretary: Christine Smith

Trustees: James Shuttleworth

Accountants: Walter Dawson & Son  
7 Wellington Road East  
Dewsbury  
WF13 1HF

Bankers: National Westminster Bank plc  
Hull City Centre Branch  
34 King Edward Street  
Hull  
HU1 3YU

Solicitors: Disken & Co  
16 Bond Street  
Dewsbury  
WF13 1AT

Registered Office: Red House Farm  
Staintondale  
Scarborough  
YO13 0HA

## NORTH OF ENGLAND HISTORIC RAILWAY TRUST LIMITED

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP).

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 charity and of its incoming resources and application of resources for the financial year. In preparing these financial statements, the trustees are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose, with reasonable accuracy, at any time the financial position of the charity and that enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

NORTH OF ENGLAND HISTORIC RAILWAY TRUST LIMITED  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2006

The trustees present their report along with the financial statements of the charity for the year ended 31 March 2006.

The legal and administrative information set out on page 1 forms part of this report. the financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities.

1. Structure, Governance and Management

The management and operation of the charity is the responsibility of the trustees, who are elected each year at the Annual General Meeting.

2. Objectives and Activities

The object of the charity is to renovate and operate historical railway vehicles.

3. Achievements and Performance

The steam locomotive Galatea No. 45699 is currently being renovated for future operation of train tours.

The charity has no investments.

The charity determines the level of reserves it maintains based on its need to carry out its objectives and for use in any projects it decides to undertake.

All the major risks to which the charity is exposed, as identified by the trustees, have been reviewed and a system has been established to mitigate those risks.

4. Financial Review

No train tour income was received in the year. Only bank interest of £1 received.

The only costs incurred were governance charges of £3,737 (2005 : £4,175).

NORTH OF ENGLAND HISTORIC RAILWAY TRUST LIMITED  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2006

5. Plans for the Future

The continued renovation of steam locomotive Galatea No. 45699 for future train tours.

6. Auditor Exemption

The Trustees have decided to take advantage of the audit exemption provisions of the Companies Act 1985. Under the provisions of the Act, Walter Dawson & Son have been appointed as reporting accountants. Their report is shown on page 5 of the financial statements.

The report has been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Trustees on 12 January 2006 and signed on their behalf by:

W David Smith

Chairman



ACCOUNTANT'S REPORT  
TO THE MEMBERS ON THE UNAUDITED FINANCIAL STATEMENTS OF  
NORTH OF ENGLAND HISTORIC RAILWAY TRUST LIMITED

We report on the financial statements of North of England Historic Railway Trust Limited for the year ended 31 March 2006 set out on pages 6 to 13.

Respective Responsibilities of Trustees and Reporting Accountants

As described on page 2 the charity's trustees are responsible for the preparation of the financial statements, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of Opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we consider necessary for the purpose of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the financial statements are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records;
  - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
  - (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in Section 249(A)(4) of the Act as modified by Section 249A(5) and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).



WALTER DAWSON & SON

Chartered Accountants

7 Wellington Road East  
Dewsbury, WF13 1HF

12 January 2007

NORTH OF ENGLAND HISTORIC RAILWAY TRUST LIMITED  
STATEMENT OF FINANCIAL ACTIVITIES  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2006

	<u>Notes</u>	Unrestricted Funds £	Total 2006 £	Total 2005 £
<u>INCOMING RESOURCES</u>				
Incoming Resources from Generated Funds:				
Activities for Generating Funds	3	--	--	3,340
Investment Income	4	1	1	2
		<hr/>	<hr/>	<hr/>
<u>TOTAL INCOMING RESOURCES</u>		1	1	3,342
		<hr/>	<hr/>	<hr/>
<u>RESOURCES EXPENDED</u>				
Cost of Generating Funds:				
Governance Costs	5	3,737	3,737	4,175
		<hr/>	<hr/>	<hr/>
<u>TOTAL RESOURCES EXPENDED</u>		3,737	3,737	4,175
		<hr/>	<hr/>	<hr/>
<u>NET OUTGOING RESOURCES BEFORE TRANSFERS</u>	6	(3,736)	(3,736)	(833)
<u>TRANSFERS</u>				
Gross Transfers Between Funds		--	--	--
		<hr/>	<hr/>	<hr/>
<u>NET MOVEMENTS IN FUNDS</u>		(3,736)	(3,736)	(833)
		<hr/>	<hr/>	<hr/>
<u>RECONCILIATION OF FUNDS</u>				
Total Funds at 31 March 2005		(11,946)	(11,946)	(11,113)
Total Funds at 31 March 2006		<u>(15,682)</u>	<u>(15,682)</u>	<u>(11,946)</u>

The statement of financial activities includes all losses recognised in the year. All incoming resources and resources expended derive from continuing activities.

Trust  
(S' Street)

NORTH OF ENGLAND HISTORIC RAILWAY TRUST LIMITED  
BALANCE SHEET AS AT 31 MARCH 2006

	Notes	2006 £	2005 £
<u>FIXED ASSETS</u>			
Tangible Assets	9	24,000	28,000
<u>CURRENT ASSETS</u>			
Cash at Bank		31	20
		31	20
<u>CREDITORS: Amounts Falling Due</u>			
Within One Year	10	39,713	39,966
<u>NET CURRENT ASSETS</u>			
		(39,682)	(39,946)
		(15,682)	(11,946)
The funds of the charity:			
<u>UNRESTRICTED FUNDS</u>			
General Funds	13	(15,682)	(11,946)

For the year ended 31 March 2006, the charitable company was entitled to exemption under Subsection 2 of Section 249A of the Companies Act 1985. The members have not required the charitable company to obtain an audit of its financial statements for the financial year in accordance with Subsection 2 of Section 249B of the Act. The trustees acknowledge their responsibility for ensuring that the charitable company keeps accounting records which comply with Section 221 of the Act, and preparing financial statements which give a true and fair view of the state of affairs of the charitable company, as at the end of the financial year, and of its deficit for the financial year in accordance with the requirements of Section 226A and the Act, and which otherwise comply with the requirements of that Act relating to financial statements so far as applicable to the charitable company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved and authorised for issue by the Trustees on 12 January 2007 and signed on their behalf by:

X  X

W D Smith

TRUSTEES

C Smith

NORTH OF ENGLAND HISTORIC RAILWAY TRUST LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2006

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at market value, and in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) issued in October 2005 and applicable accounting standards and the Companies Act 1985. The principle accounting policies adopted in preparation of the financial statements are as follows:

(a) Investment Income

Income from investments is included in the SOFA in the year in which it is receivable.

(b) Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the SOFA. The charity is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

(c) Tangible Fixed Assets

Depreciation is provided on a straight line basis over the expected useful lives of each category of tangible fixed assets :

Plant and Equipment	10 % per annum on cost
---------------------	------------------------

(d) Fund Accounting

Funds held by the charity are either:

- *Unrestricted general funds* - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- *Designated funds* - these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.
- *Restricted funds* - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

(e) Cash Flow Statements

The charity qualifies as a small company under the Companies Act 1985. The trustees have elected to take advantage of the exemptions under FRS 1 not to prepare a cash flow statement.

NORTH OF ENGLAND HISTORIC RAILWAY TRUST LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2006

2. LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £10.

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds	Total 2006	Total 2005
	£	£	£
Operation of Steam Locomotive Train Tours	--	--	3,340

4. INVESTMENT INCOME

	Unrestricted Funds	Total 2006	Total 2005
	£	£	£
Bank Interest Received	1	1	2

5. GOVERNANCE COSTS

	Unrestricted Funds	Total 2006	Total 2005
	£	£	£
Audit Fees	(293)	(293)	150
Sundry Expense	30	30	15
Bank Charges	--	--	10
Depreciation	4,000	4,000	4,000
	<u>3,737</u>	<u>3,737</u>	<u>4,175</u>

NORTH OF ENGLAND HISTORIC RAILWAY TRUST LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2006

6. NET INCOMING/(OUTGOING) RESOURCES  
FOR THE YEAR

	<u>2006</u>	<u>2005</u>
	£	£
This is stated after charging:		
Depreciation	4,000	4,000
Accountant's Fee	(293)	150
	<u>          </u>	<u>          </u>

7. STAFF COSTS AND TRUSTEES' REMUNERATION

	<u>2006</u>	<u>2005</u>
	£	£
Wages and Salaries	--	--
Social Security Costs	--	--
	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>

Trustees received no remuneration and were not reimbursed for any of their expenses in either year.

8. CORPORATION TAX

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

NORTH OF ENGLAND HISTORIC RAILWAY TRUST LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2006

9. TANGIBLE FIXED ASSETS

	<u>Plant and Equipment</u> £
<u>Cost:</u>	
At 1 April 2005	40,000
Additions	--
At 31 March 2006	<u>40,000</u>
<u>Depreciation:</u>	
At 1 April 2005	12,000
Charge for Year	4,000
At 31 March 2006	<u>16,000</u>
<u>Net Book Value:</u>	
At 31 March 2006	<u>24,000</u>
At 31 March 2005	<u>28,000</u>

10. CREDITORS: Amounts Falling Due  
Within One Year

	<u>2006</u> £	<u>2005</u> £
Other Creditors	39,595	39,555
Accruals and Deferred Income	118	411
	<u>39,713</u>	<u>39,966</u>

NORTH OF ENGLAND HISTORIC RAILWAY TRUST LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2006

**11. RELATED PARTY TRANSACTIONS**

Mr W D Smith is the chairman of trustees of the charity. In the year to 31 March 2006, the North of England Historic Railway Trust Limited made purchases to the value of £30 (2005 : £411), with monies of £40 (2005 : £400) loaned by Mr W D Smith.

Mr W D Smith is also a director and majority shareholder in William Smith (Wakefield) Limited. In the year to 31 March 2006, the North of England Historic Railway Trust Limited made purchases to the value of £Nil (2005 : £165), with monies loaned by William Smith (Wakefield) Limited.

The North of England Historic Railway Trust Limited repaid £Nil (2005 : £3,300) of the loan due to William Smith (Wakefield) Limited.

Included in other creditors are the following related party balances:

	2006	2005
	£	£
W David Smith	2,265	2,225
William Smith (Wakefield) Limited	37,330	37,330
	<u>39,595</u>	<u>39,555</u>

**12. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	General Funds	Total Funds
	£	£
Tangible Fixed Assets	24,000	24,000
Current Assets	31	31
Current Liabilities	(39,713)	(39,713)
Net Assets at 31 March 2006	<u>(15,682)</u>	<u>(15,682)</u>

NORTH OF ENGLAND HISTORIC RAILWAY TRUST LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2006

13. MOVEMENT IN FUNDS

	At 1 April 2005	Incoming Resources	Outgoing Resources	Transfers	At 31 March 2006
	£	£	£	£	£
General Funds	(11,946)	1	(3,737)	--	(15,682)
Total Unrestricted Funds	(11,946)	1	(3,737)	--	(15,682)
TOTAL FUNDS	(11,946)	1	(3,737)	--	(15,682)