

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 2 JANUARY 2017

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SEVERN VALLEY RAILWAY (HOLDINGS) PLC

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SEVERN VALLEY RAILWAY (HOLDINGS) PLC

COMPANY INFORMATION

DIRECTORS	N C Paul CBE M E Ball A C Barr MBE A G Bending J A Dunster A D Owen OBE P R P Pearson C G Thomas C W Walton S White D C Williams M R York
COMPANY SECRETARY	S D Hart
REGISTERED NUMBER	01046274
REGISTERED OFFICE	Number One Comberton Place Kidderminster DY10 1QR
STATUTORY AUDITOR	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 2AY
SOLICITORS	Harrison Clark Rickerbys 5 Deansway Worcester WR1 2JG
REGISTRAR	Neville Registrars Ltd Neville House 18 Laurel Lane Halesowen B63 3DA

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

CHAIRMAN'S STATEMENT FOR THE PERIOD ENDED 2 JANUARY 2017

The chairman presents his statement for the period.

Dear Shareholders

I am pleased to report that largely as a result of a 7% growth in traffic revenue and a 40% increase in donations and legacies in 2016, the Railway was able to carry out more essential repairs and maintenance during the year, increase net cash generated from operating activities and report substantially higher profits. The profit in 2016 was £201,555 compared with £100,834 in 2015.

In 2016 traffic revenue was £3,777,840, a growth of £256,995 over the prior year helped largely by the visit of two LNER Pacifics 60103 Flying Scotsman and 60163 Tornado in September 2016, which more than offset the weak Spring Gala sales. The Pacific Power event proved very popular, with 14,000 passengers visiting the Railway during the five days of intensive operation and it generated a profit of £221,076. The SVR Charitable Trust (SVRCT) had their own Flying Scotsman VIP event prior to Pacific Power which again proved hugely popular and generated a profit with donations of £85,000. May I take this opportunity to once again thank all our volunteers and employees who played such an essential part in the successful running of this truly memorable event. I would also like to thank the owners of both locomotives, the A1 Trust, The National Railway Museum and Flying Scotsman's custodian Riley Engineering.

It is estimated that 252,330 people visited the Railway in 2016 compared with 245,800 in the prior year. Once again the estimate is based on the recorded number of passengers purchasing tickets to travel increased by a percentage (derived from passenger surveys) to take into account annual pass holders, shareholder and working member journeys. In 2016 the recorded number of passengers purchasing tickets was 208,479 up from 204,889 in 2015.

Donations and legacies received in 2016 were £425,405 up from £301,737 in 2015. £280,723 was received in the year from the SVR Charitable Trust (SVRCT) for a variety of projects including the Heritage Skills Training Academy, track replacement at Eardington and the renovation of one arch on Bewdley South Viaduct. I would like to thank all donors together with the Trustees of SVRCT and the Directors of Severn Valley Railway Company Limited for their continuing support.

Net cash generated from operating activities in 2016 was £729,776 compared with £435,766 in 2015. You may recall in 2014 the Holdings Board initiated a four-year plan to increase the end of year cash position before share offer monies are taken into account by £1 million. At the end of December 2016, the cash position, excluding share offer funds, was £373,000 in credit at the bank compared with £560,000 overdrawn at the end of 2013. We are on target to achieve our four-year goal.

You will note that there was a decrease in contract engineering sales in 2016. This was the result of a conscious decision to concentrate the workforce of our Motive Power Department in Bridgnorth and Carriage & Wagon Departments in Bewdley and Kidderminster on the maintenance and overhaul of our home fleet of locomotives and carriages. In addition staffing in MPD was increased to create three teams of three fitter-machinists each working to a Team Leader. Two of the teams to be dedicated to the overhaul of a locomotive each with one team focused on maintenance. These dedicated teams mean for the first time, that we will be able to have continuity of personnel right through the overhaul of a locomotive. A similar structure has also been instituted in the Boiler Shop.

The average number of employees (full time, part time and casual) during the period has reduced from 186 in 2015 to 178 in 2016. The Railway has seen reductions in its use of casual staff and part time staff in catering areas. By the end of the year, there have been increases in the full-time complement of staff at Motive Power Department and Carriage & Wagon of four employees. In April 2016, the government increased the Living Wage Rate, by 50p, rising from £6.70 to £7.20 for those aged 25 and over. With a contingent of staff affected by this rise and a commensurate increase in supervisor's salaries to maintain parity, this has seen an increase in the wage costs for 2016. Control of the wage bill is important and will continue to be so, but the Railway is also taking positive steps to invest in its future in key areas, such as Motive Power, Carriage and Wagon and the Heritage Skills Training Academy.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

CHAIRMAN'S STATEMENT FOR THE PERIOD ENDED 2 JANUARY 2017

In 2016, we invested £325,000 of the funds raised in the 2012 Share Offer. The bulk of the expenditure, £243,000, was spent supporting the new developments at Bridgnorth as construction on the new Refreshment Room commenced. Funds were also used for the replacement of half a mile of track on Eardington Bank and to carry out essential maintenance work on renovating Bewdley North Viaduct. Of the Share Offer funds raised in 2012, a further amount of £730,617 remains ready for investing in trackwork, Hagley Hall and the Bridgnorth Project.

Additional repairs and maintenance projects have been funded by revenue expenditure. These include the repair and repainting of the canopy at Bewdley station, together with the lining and repainting of the water tank at the same location. The station platform at Hampton Loade has been relaid, and passengers at Bridgnorth will be pleased to know that the footbridge has received significant attention with new wooden steps being fitted.

Over the last three years I have reported on the considerable progress and achievements made by the Bridgnorth Development Project Team. In February 2016, they achieved full planning permission for the Bridgnorth Station Masterplan. 2016 has witnessed intense activity by the Project Team including the development of detailed plans and elevations for a new Refreshment Room. This new facility, an authentic recreation of a Great Western building, will transform the Station providing a wonderful new facility at our Northern terminus. In order to support this ambitious project further fundraising has been necessary. The 2016 accounts show the proceeds from the new Share Offer, Bridgnorth Station 'Building for the Future' which opened on November 1st 2016. We are hoping to raise £2.5 million to fund two phases of the master plan. The first phase involves the construction of a new Refreshment Room and bar extension, refurbishment of the Station building and relocation of the Station Gift Shop. The second phase will see the development of the Field Car Park, installation of the Bristol (Bath Road) Turntable in the locomotive yard as a visitor attraction and see improvements to public areas which will raise the quality and heritage appeal of this lovely station. The new Share Offer launched on 1st November 2016, has had a very promising start with over 1,000,000 shares sold to date thanks to our very supportive shareholders. Again as is in the 2012 share offer, 40% of shareholders purchasing shares in this Offer are 'new'. As your Chairman, I can only encourage you to read more about our ambitious plans described in the Share Offer Document and apply for shares before the Offer closes on the 30th October 2017. Please if you can, do buy shares and spread the word to friends, family and acquaintances so that we can undertake as much of this project as possible over the next two years. Shareholders may note that debtors have increased substantially over the year, this is because of the Share Offer and the processing of share applications, which meant that share application funds received by Neville Registrar, and not yet passed to the Railway amounted to £137,000. These funds were received in January 2017.

Shareholders may also be interested in how we analyse our safety performance. Safety on the Railway is monitored by a Safety Committee and is assisted by a Safety Team of experts who carry out intensive safety audits of all railway departments. The Board are kept informed of safety related items and issues by two volunteer Safety Advisors and the General Manager on a monthly basis. All incidents are recorded and monitored, with the Safety Committee looking for any trends or concerning 'near miss' incidents under general or operational safety. In 2016, there were 120 incidents reported compared to 156 incidents in 2015, with slip and trip incidents most prevalent, 27 in total. The number of reported incidents is in line with statistics from prior years. Whilst slips and trips represent a considerable number of our reported incidents, this tends to be related to the heritage environment of the railway. We are continually looking to improve our walking surfaces, through either relaying historic sets, such as the cobbles outside Kidderminster Town Station or through applying a modern chipped resin based finish that looks appropriate as we have undertaken at Hampton Loade Station, Platform Two. Operational incidents of note include 15 crossing 'near miss' incidents and 1 Signals Passed at Danger (SPAD). Whilst a SPAD incident is serious, the events recorded on the SVR involved a train being brought to a stand foul of a signal, with no risk to passengers. A near miss at a crossing is a record by the locomotive driver that on approach to the crossing a vehicle or pedestrian crossed in front of the train and it may have necessitated application of the brakes. All such incidents, either near miss or SPAD's are followed up with an internal report. SPAD's are investigated by the Operational Head of Department and disciplinary or educational measures are administered as appropriate. In the case of crossing incidents, a warning letter is sent to the crossing users with a copy to the Inspectorate of the Office of Rail and Road recording the occurrence. Please be assured that as a Railway we are always monitoring and seeking to improve our safety awareness and performance.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

**CHAIRMAN'S STATEMENT
FOR THE PERIOD ENDED 2 JANUARY 2017**

2016 has been another year in which our achievements as a Railway have been recognised by our peers. At the recent Heritage Railway Association AGM dinner, Jonathan Dunster, Director and Chairman of the Diesel Committee received, on behalf of the Railway, the HRA Modern Traction Award for the Diesel Depot at Kidderminster. This was awarded to the SVR in recognition of the excellent facility opened by Sir Peter Hendy, Chairman of Network Rail, in May 2016. We now have at Kidderminster facilities that put us at the forefront to undertake repairs and maintenance on our heritage fleet of diesels which are second to none in the industry. It is clear that 2017 will see a big focus on the Share Offer and the delivery of the Bridgnorth Development Project but there are some other milestones during the year that are of note and illustrate the Railways resilience and desire to thrive. I hope you may have seen the television coverage marking the 50th anniversary of the operation of the first train on the SVR, hauled by locomotive 3205. June 19th 2017 also marks the ten year anniversary since the storm damage of 2007. Despite experiencing over 40 areas of damage to the Railway, with donations from supporters and funding agencies, the Railway was rebuilt within nine months and since overcoming this catastrophe has gone from strength to strength. I look forward to seeing you shortly at the AGM, St. Georges Hall, Bewdley on the 17th June.



Name **Nick Paul CBE**
Chairman

Date 18 April 2017

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

DIRECTORS' REPORT FOR THE PERIOD ENDED 2 JANUARY 2017

The Directors present their report and the financial statements for the period ended 2 January 2017.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors 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 Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RESULTS AND DIVIDENDS

The profit for the period, after taxation, amounted to £201,555 (2016 - £100,834).

In accordance with the special resolutions passed at the Extraordinary General Meeting of the Company on 19 December 1997, the Memorandum and Articles of Association of the Company no longer permit either the payment of dividends or the participation of members in the distribution of any residual property or assets upon the winding up or dissolution of the Company.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 2 JANUARY 2017

DIRECTORS

The Directors who served during the period and their interests in the Company's issued share capital were:

	Ordinary shares of £1 each	
	2 January 2017	3 January 2016
N C Paul CBE	7,451	6,451
M E Ball	1,700	1,700
A C Barr MBE	3,300	3,300
A G Bending	3,100	3,100
J A Dunster	750	250
A D Owen OBE	1,100	1,000
P R P Pearson	3,130	3,130
C G Thomas	1,353	1,353
C W Walton	1,200	1,200
S White	1,260	1,260
D C Williams	2,505	2,505
M R York	1,250	1,000

FUTURE DEVELOPMENTS

For details of future developments please refer to the Chairman's Statement.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

During the year, an indemnity from the Company was available to the directors against liabilities that might be incurred by them in defending proceedings against them in respect of the affairs of the Company. The indemnity is subject to the provisions of the Companies Act and is set out in the Articles of Association.

DISCLOSURE OF INFORMATION TO AUDITOR

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

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 2 JANUARY 2017**

AUDITOR

The auditor, Crowe Clark Whitehill LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board on 18 April 2017 and signed on its behalf.



N C Paul CBE
Director

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

STRATEGIC REPORT FOR THE PERIOD ENDED 2 JANUARY 2017

INTRODUCTION

The principal activity of the Company is to operate the Severn Valley Railway between Bridgnorth in Shropshire and Kidderminster in Worcestershire and the financial statements are drawn up to the accounting reference period 2 January 2017 (prior period - 3 January 2016) to correspond with the end of the Company's 'festive season' running schedule.

Throughout the financial statements references to the period ended 2 January 2017 are shown as "2016" and to the comparative period as "2015".

BUSINESS REVIEW

The Directors are pleased to report that 2016 was again a profitable year, with a profit for the year of £201,555 compared to £100,834 in 2015. A comparison of 2015 to 2016 accounts shows that turnover has increased by £414,743.

It is estimated that 252,330 people visited the railway in 2016, compared to 245,800 in 2015. This estimate is based on the recorded number of passengers purchasing tickets to travel, increased by a percentage to take into account shareholder and working member journeys. In the current year 208,479 (2015: 204,842) purchased tickets to travel.

The Company's Net Current Asset position at 2 January 2017 grew by £1,075,140 in the year. The cash position strengthened by £821,718 due to the receipt of Share Offer funds, but also as a result of the planned increase of the free cash position of the Railway.

A detailed financial business review is contained in the Chairman's Statement.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors consider the following issues to be the Company's main risks and uncertainties:

- Continue to operate within the company's safety management system
- The current economic situation and its impact on disposable income and spending patterns
- Weather and its impact on the number of passengers and on the infrastructure
- Availability and cost of coal, oil and other necessary resources
- Age of working volunteers and their continuing support of the Railway
- Risk of not finding funding for ongoing repairs, improvements and future projects
- Availability and recruitment of skilled staff (both volunteer and paid)
- Ongoing changes to legislation
- Environmental issues
- Compliance with Health & Safety
- Third party relationships

In order to mitigate these risks and uncertainties, the Directors approve detailed business plans and monitor progress against these.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 2 JANUARY 2017

FINANCIAL KEY PERFORMANCE INDICATORS

The following are some of the most significant key performance indicators identified by the Directors:

- Cashflow
- Turnover
- Expenditure
- Passenger numbers and yield per passenger
- Operating profit
- Performance compared to the Strategic Plan

The Board monitors the Company's performance against strategic objectives and the financial performance on a regular basis. Performance is assessed against the budgets using financial and non-financial measures.

The performance against these key performance indicators are described in detail in the Chairman's statement along with other non-financial key performance indicators.

This report was approved by the board on 18 April 2017 and signed on its behalf.



N C Paul CBE
Director

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SEVERN VALLEY RAILWAY (HOLDINGS) PLC

We have audited the financial statements of Severn Valley Railway (Holdings) plc for the period ended 2 January 2017, set out on pages 12 to 32. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 2 January 2017 and of its profit or loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SEVERN VALLEY RAILWAY
(HOLDINGS) PLC (CONTINUED)**

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

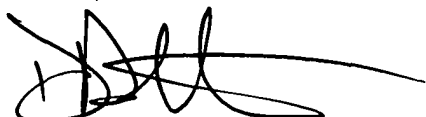
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Dave Darlaston (Senior Statutory Auditor)

for and on behalf of
Crowe Clark Whitehill LLP

Statutory Auditor

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

18 April 2017

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 2 JANUARY 2017

	Note	2016 £	2015 £
Turnover	4	7,179,203	6,764,460
Cost of sales		(6,780,135)	(6,383,684)
GROSS PROFIT		399,068	380,776
Administrative expenses		(704,107)	(722,681)
Other operating income	5	530,683	454,809
OPERATING PROFIT	6	225,644	112,904
Interest receivable and similar income		349	480
Interest payable and expenses	8	(24,438)	(12,550)
PROFIT BEFORE TAX		201,555	100,834
Tax on profit	9	-	-
PROFIT FOR THE FINANCIAL PERIOD		201,555	100,834

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 16 to 32 form part of these financial statements.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC
REGISTERED NUMBER: 01046274

STATEMENT OF FINANCIAL POSITION
AS AT 2 JANUARY 2017

	Note	2 January 2017 £	3 January 2016 £
FIXED ASSETS			
Intangible assets	10	23,400	25,890
Tangible assets	11	12,719,053	12,758,793
		<u>12,742,453</u>	<u>12,784,683</u>
CURRENT ASSETS			
Stocks	12	425,927	448,390
Debtors: amounts falling due within one year	13	340,067	223,711
Cash at bank and in hand	14	1,661,264	839,546
		<u>2,427,258</u>	<u>1,511,647</u>
Creditors: amounts falling due within one year	15	(1,222,822)	(1,382,351)
NET CURRENT ASSETS		<u>1,204,436</u>	<u>129,296</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>13,946,889</u>	<u>12,913,979</u>
Creditors: amounts falling due after more than one year	16	(4,845,907)	(4,821,546)
PROVISIONS FOR LIABILITIES			
Other provisions	19	(160,363)	(145,621)
		<u>(160,363)</u>	<u>(145,621)</u>
NET ASSETS		<u>8,940,619</u>	<u>7,946,812</u>
CAPITAL AND RESERVES			
Called up share capital	21	7,944,670	7,152,418
Profit and loss account	20	995,949	794,394
		<u>8,940,619</u>	<u>7,946,812</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 18 April 2017.

N C Paul CBE
Director



M E Ball
Director



The notes on pages 16 to 32 form part of these financial statements.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 2 JANUARY 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 4 January 2016	7,152,418	794,394	7,946,812
Profit for the period	-	201,555	201,555
Shares issued during the period	792,252	-	792,252
AT 2 JANUARY 2017	7,944,670	995,949	8,940,619

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 3 JANUARY 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 5 January 2015	7,011,998	693,560	7,705,558
Profit for the period	-	100,834	100,834
Shares issued during the period	140,420	-	140,420
AT 3 JANUARY 2016	7,152,418	794,394	7,946,812

The notes on pages 16 to 32 form part of these financial statements.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 2 JANUARY 2017**

	2 January 2017 £	3 January 2016 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial period	201,555	100,834
ADJUSTMENTS FOR:		
Amortisation of intangible assets	2,490	940
Depreciation of tangible assets	569,327	560,129
Interest paid	24,438	12,550
Interest received	(349)	(480)
Decrease in stocks	22,463	1,015
Decrease in debtors	20,957	87,543
(Decrease) in creditors	(125,847)	(329,640)
Increase in provisions	14,742	2,875
NET CASH GENERATED FROM OPERATING ACTIVITIES	729,776	435,766
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible fixed assets	-	(15,500)
Purchase of tangible fixed assets	(482,737)	(1,342,320)
Sale of tangible fixed assets	-	9,299
Interest received	349	480
NET CASH FROM INVESTING ACTIVITIES	(482,388)	(1,348,041)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of ordinary shares	654,939	140,420
New secured loans	-	544,500
Repayment of loans	(84,929)	(142,842)
Other new loans	28,758	-
Repayment of other loans	-	(28,566)
Interest paid	(24,438)	(12,550)
NET CASH USED IN FINANCING ACTIVITIES	574,330	500,962
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	821,718	(411,313)
Cash and cash equivalents at beginning of period	839,546	1,250,859
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	1,661,264	839,546
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD COMPRISE:		
Cash at bank and in hand	1,661,264	839,546
	1,661,264	839,546

The notes on pages 16 to 32 form part of these financial statements.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 JANUARY 2017

1. GENERAL INFORMATION

Severn Valley Railway (Holdings) plc (the Company) operates a heritage railway between Bridgnorth in Shropshire and Kidderminster in Worcestershire.

The Company is an unlisted public limited company (registered number 01046274), which is incorporated in the UK. The address of the registered office and principle place of business is Number One, Comberton Place, Kidderminster, DY10 1QR.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of Financial Statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 GOING CONCERN

When preparing these Financial Statements, the Directors have assessed the Company's ability to continue as a going concern. As a result of this assessment, no material uncertainties have been identified by the Directors that may cast significant doubt about the ability of the Company to continue as a going concern.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report.

The Company meets its day-to-day working capital requirements through cash reserves. An overdraft facility is retained which is due for renewal on 30 April 2017. The Company's forecasts and projections show that the Company should be able to operate within the level of its current facility. The Company will hold renewal negotiations with the Bank in due course and has, at this stage, not sought any written commitment that the facility will be renewed. However, since the year end, the Company has held discussions with the Bank about its future borrowing needs and no matters have been drawn to its attention to suggest that renewal may not be forthcoming on acceptable terms.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore they continue to adopt the going concern basis of accounting in preparing the annual Financial Statements.

2.3 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria is used to determine when revenue is recognised:

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 JANUARY 2017

2. ACCOUNTING POLICIES (CONTINUED)

Giftware, Bars, Catering and Other

Revenue is recognised when the significant risks and rewards of ownership have transferred to the customer. This is usually at the point when the goods or service are received by the customer.

Traffic

Revenue is recognised when the significant risks and rewards of ownership have transferred to the customer. This is usually at the time when travel takes place. Where travel tickets are purchased in advance of the date that travel takes place, the income is recognised at the date of the transaction as tickets are sold on a non-refundable basis.

Contract Engineering

Revenue is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied: the amount of revenue can be measured reliably; it is probable that the Company will receive the consideration due under the contract; the stage of completion of the contract at the end of the reporting period can be measured reliably, and; the costs incurred and the costs to complete the contract can be measured reliably.

Rental income

Rental income is recognised on an accruals basis.

Donations and legacies

Donations are recognised when receivable. Donations received for specific items of expenditure which are included in cost of sales are recognised within turnover. All other general donations are recognised in other operating income.

Legacies are recognised when the company is entitled to the income and the amount can be quantified with reasonable accuracy. Entitlement is the earlier of the company being notified of an impending distribution or the legacy being received.

Grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Income Statement at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Income Statement in the same period as the related expenditure.

Interest income

Interest income is recognised in the Income Statement using the effective interest method.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 JANUARY 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.4 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Software	-	10 % on cost
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2.5 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on the following basis:

Freehold buildings and permanent way	-	2% - 20% on cost
Locomotives and rolling stock	-	5% - 10% on cost
Office and computer equipment	-	10% - 25% on cost
Motor vehicles	-	20% - 25% on cost
Commercial fixtures, fittings and equipment	-	4% - 20% on cost

2.6 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and rolling stock provisions.

2.7 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 DEBTORS

Short term debtors are measured at cost, less any impairment.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 JANUARY 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.9 CASH

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

In the Statement of Cash Flows, cash is shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.10 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income Statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

Where the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using an appropriate pre tax discount rate. The unwinding of the discount is recognised as a finance charge in the Income Statement in the period it arises.

2.12 LOCOMOTIVES AND ROLLING STOCK

In addition to locomotives and rolling stock owned by the Company, the Company has entered into agreements with various third parties to operate and maintain a range of other locomotives and rolling stock for use on the line. In the opinion of the Directors, these arrangements are in the nature of operating leases and the costs of repairs and maintenance over and above those in the terms of the agreement are charged to the Income Statement as incurred.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements may require management to make significant judgements and estimates. There are no items in the financial statements where significant judgements and estimates have been made.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 JANUARY 2017

4. TURNOVER

	2016 £	2015 £
Traffic	3,777,840	3,520,845
Catering	1,200,367	1,194,922
Bars	919,285	894,763
Giftware	446,804	426,653
Contract engineering	252,984	318,497
Other (including specific purpose donations)	313,353	167,292
Release of grants	268,570	241,488
	<u>7,179,203</u>	<u>6,764,460</u>

All turnover arose within the United Kingdom.

The "release of deferred grants" and receipt of "specific purpose donations" have been moved from Other operating income to Turnover, in this year's accounts, to better reflect the nature of these income streams and to match against the respective costs which are included in Cost of sales.

The accounting policy relating to the recognition of this income is described in note 2.3.

5. OTHER OPERATING INCOME

	2016 £	2015 £
Rents received	21,603	19,799
General donations and legacies	425,405	301,737
Other non trading income	83,675	133,273
	<u>530,683</u>	<u>454,809</u>

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JANUARY 2017**

6. OPERATING PROFIT

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	569,327	549,916
Amortisation of intangible assets	2,490	940
Operating lease rentals	9,012	10,189
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	14,750	14,750
Fees payable to the Company's auditor and its associates for other services:		
- Other services	2,500	2,500
- Taxation compliance services	2,750	2,750
	<u>14,750</u>	<u>14,750</u>

No Director, including the Chairman, directly received any fees, salary payments (including benefits in kind), pension contributions or other emoluments.

7. EMPLOYEES

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	2,171,640	2,123,883
Social security costs	133,687	128,468
Cost of defined contribution pension scheme	110,091	114,957
	<u>2,415,418</u>	<u>2,367,308</u>

The average monthly number of employees during the period was as follows:

	2016 No.	2015 No.
Full time	70	70
Part time	56	58
Casual	52	58
	<u>178</u>	<u>186</u>

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JANUARY 2017

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £	2015 £
Bank interest payable	21,696	9,677
Finance charge	2,742	2,873
	<u>24,438</u>	<u>12,550</u>

9. TAXATION

No corporation tax or deferred tax is chargeable to either the current or the prior period.

Factors affecting tax charge for the period

The tax assessed for the period is the same as (2015 - same as) the standard rate of corporation tax in the UK of 20% (2015 - 20%)%. The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>201,555</u>	<u>100,834</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	40,311	20,167
EFFECTS OF:		
Depreciation of ineligible assets	76,157	75,698
Expenses not deductible for tax purposes	59	1,511
Deferred tax not recognised	(98,192)	(76,424)
Non-taxable income	(89,565)	(60,431)
Adjust deferred tax to 20%	<u>71,230</u>	<u>39,479</u>
TOTAL TAX CHARGE FOR THE PERIOD	<u>-</u>	<u>-</u>

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JANUARY 2017

9. TAXATION (CONTINUED)

Factors that may affect future tax charges

The tax rate of 20% (2015 - 20%) has been used, as the Directors consider that this is the rate applicable to the Company taking into account its expected level of future profits.

The Company has a potential deferred tax asset of £751,773 (2015 - £758,259) relating to tax losses carried forward and a potential deferred tax asset of £504,972 (2015 - £598,764) relating to fixed asset timing differences. These assets assume future tax rates of 17%.

The potential deferred tax assets have not been provided for, as the Directors cannot be sure that there will be sufficient taxable profits against which these assets can reverse in the foreseeable future.

10. INTANGIBLE ASSETS

	Software £
COST	
At 4 January 2016	28,071
At 2 January 2017	28,071
AMORTISATION	
At 4 January 2016	2,181
Charge for the year	2,490
At 2 January 2017	4,671
NET BOOK VALUE	
At 2 January 2017	23,400
At 3 January 2016	25,890

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JANUARY 2017**

11. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Locos and rolling stock £	Office equipment and motor vehicles £	Commercial fixtures, fittings & equipment £	Capital work in progress £	Total £
COST OR VALUATION						
At 4 January 2016	15,459,237	919,702	250,666	1,548,251	936,762	19,114,618
Additions	118,542	16,470	-	24,845	369,730	529,587
Transfers between classes	781,411	-	-	26,238	(807,649)	-
At 2 January 2017	16,359,190	936,172	250,666	1,599,334	498,843	19,644,205
DEPRECIATION						
At 4 January 2016	4,786,307	705,704	188,870	674,944	-	6,355,825
Charge for the period	469,226	14,539	8,308	77,254	-	569,327
Transfers between classes	(31,333)	17,280	-	14,053	-	-
At 2 January 2017	5,224,200	737,523	197,178	766,251	-	6,925,152
NET BOOK VALUE						
At 2 January 2017	11,134,990	198,649	53,488	833,083	498,843	12,719,053
At 3 January 2016	10,672,930	213,998	61,796	873,307	936,762	12,758,793

Borrowing costs totalling £NIL (2015 - £8,168) were capitalised during the period.

All tangible fixed assets are held as security for the bank loans detailed in Note 17.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JANUARY 2017

12. STOCKS

	2 January 2017 £	3 January 2016 £
Stores	212,195	223,682
Goods for resale	213,732	224,708
	<u>425,927</u>	<u>448,390</u>

Stock recognised in cost of sales during the period as an expense was £1,553,140 (2015 - £1,540,328).

An impairment loss of £5,657 (2015 - impairment loss reversal of £4,440) was recognised in cost of sales against stock during the period due to slow-moving and obsolete stock.

13. DEBTORS

	2 January 2017 £	3 January 2016 £
Trade debtors	102,523	125,379
Other debtors	189,939	45,040
Prepayments and accrued income	47,605	53,292
	<u>340,067</u>	<u>223,711</u>

An impairment loss reversal of £12,826 (2015 - reversal of £4,004) was recognised as an expense against debtors during the year.

Other debtors includes £137,313 (2015 - £Nil) owed by by Neville Registrars in relation to receipts for shares issued pre year end. This debt was settled in January 2017.

14. CASH AND CASH EQUIVALENTS

	2 January 2017 £	3 January 2016 £
Balance at bank	1,640,536	828,392
Cash balances	20,728	11,154
	<u>1,661,264</u>	<u>839,546</u>

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JANUARY 2017**

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2 January 2017 £	3 January 2016 £
Bank loans (note 17)	73,375	442,212
Other loans	35,872	7,114
Trade creditors	456,404	339,386
Other taxation and social security	40,683	36,105
Other creditors	249,457	274,409
Accruals and deferred income	367,031	283,125
	<u>1,222,822</u>	<u>1,382,351</u>

Deferred income includes grants and public donations received towards Kidderminster carriage shed, Kidderminster station building improvements, Highley Engine House and Bridgnorth locomotive shed roof refurbishment.

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2 January 2017 £	3 January 2016 £
Bank loans (Note 17)	601,527	317,619
Other creditors	8,371	-
Accruals and deferred income	4,236,009	4,503,927
	<u>4,845,907</u>	<u>4,821,546</u>

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JANUARY 2017

17. LOANS

Analysis of the maturity of loans is given below:

	2 January 2017 £	3 January 2016 £
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank loans	73,375	442,212
Other loans	35,872	7,114
	<u>109,247</u>	<u>449,326</u>
AMOUNTS FALLING DUE 2-5 YEARS		
Bank loans	221,014	191,379
	<u>221,014</u>	<u>191,379</u>
AMOUNTS FALLING DUE AFTER MORE THAN 5 YEARS		
Bank loans	380,513	126,240
	<u>380,513</u>	<u>126,240</u>
	<u>710,774</u>	<u>766,945</u>

Loan 1 - Kidderminster

The loan limit is capped at £550,000 and was initially repayable in monthly instalments of £3,863 repayable within twenty years from draw down in April 2006. From 1 April 2008, monthly instalments were increased to £4,000 (including interest) in order to accelerate repayment of the capital amount. At 2 January 2017 £45,621 is repayable within one year and £109,998 is repayable in 2 to 5 years.

Interest is charged at 1.25% over the HSBC Bank plc base rate.

Loan 2 - Arley and Bewdley South Viaduct

The loan limit is capped at £500,000 and is repayable over a term of five years. The total amount drawn down was £492,918 and repayment commenced on 4 April 2011 at a rate of £8,928 (including interest). This loan has been repaid during the year.

Interest is charged at 2.24% over the HSBC Bank plc base rate.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 JANUARY 2017

17. LOANS (continued)

Loan 3 - Land Adjacent to Bridgnorth Station

The loan limit is capped at £172,500 and is repayable over a term of fifteen years. The total amount drawn down was £172,500 and repayment commenced on 26 October 2015 in monthly installments of £1,229 (including interest). At 2 January 2017 £9,484 is repayable within one year, £37,936 is repayable in 2 to 5 years and £113,566 is repayable in over 5 years.

Interest is charged at 2.95% over the Bank of England base rate.

Loan 4 - Diesel Depot

The full loan amount of £372,000 was drawn down in October 2015 using a temporary, interest only, loan repayable on demand. This was converted to a fixed term loan on 11/03/2016. The loan limit is capped at £372,000 and is repayable over a term of fifteen years. Repayment commenced on 11/04/2016 at a rate of £2,651 (including interest). At 2 January 2017 £18,270 is repayable within one year, £73,080 is repayable in 2 to 5 years and £266,947 is repayable in over 5 years.

Interest is charged at 2.95% per annum over the Bank of England base rate.

All bank borrowings are secured by means of a fixed charge over all book debts and freehold properties and a floating charge over certain assets, goodwill, undertakings and uncalled capital, both present and future.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 JANUARY 2017

18. FINANCIAL INSTRUMENTS

	2 January 2017 £	3 January 2016 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	1,921,461	984,102
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(1,497,749)</u>	<u>(1,048,859)</u>

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, other debtors and accrued income.

Financial Liabilities measured at amortised cost comprise bank loans, other loans, trade creditors and other creditors.

The entity's income, expense, gains and losses in respect of financial instruments are summarised below:

	2 January 2017 £	3 January 2016 £
Impairment losses on financial assets measured at amortised cost	(11,709)	13,977
Total interest income for financial assets held at amortised cost	349	480
Total interest expense for financial liabilities held at amortised cost	<u>24,438</u>	<u>12,550</u>

19. PROVISIONS

	Locomotive and rolling stock provision £
At 4 January 2016	145,621
Charged to profit or loss	12,000
Unwinding of discounts	2,742
AT 2 JANUARY 2017	<u>160,363</u>

Provisions relate to contractual repairs and maintenance costs and are calculated in accordance with the locomotive and rolling stock agreements. The timing of the outflow is dependent on the repairs and maintenance needs of the individual locomotive to which it relates. The gross provision before discounting is £179,000 (2015 - £167,000).

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 JANUARY 2017**

20. RESERVES

Profit & loss account

Profit and loss account - includes all current and prior period retained profits and losses.

21. SHARE CAPITAL

	2 January 2017 £	3 January 2016 £
SHARES CLASSIFIED AS EQUITY		
AUTHORISED		
14,000,000 Ordinary shares of £1 each	<u>14,000,000</u>	<u>14,000,000</u>
ALLOTTED, CALLED UP AND FULLY PAID		
8,111,826 (2015 - 7,242,368) Ordinary shares of £1 each	<u>7,944,670</u>	<u>7,152,418</u>

During the period the Company issued 869,458 (2015 - 140,420) Ordinary shares at par. The consideration received was £869,458 (2015 - £140,420).

Share capital is shown net of direct share offer costs as follows:

	2 January 2017 £	3 January 2016 £
2012 share offer costs	89,950	89,950
2016 share offer costs	77,206	-
	<u>167,156</u>	<u>89,950</u>

22. CAPITAL COMMITMENTS

At 2 January 2017 the Company had capital commitments as follows:

	2 January 2017 £	3 January 2016 £
Contracted for but not provided in these financial statements	<u>263,529</u>	<u>-</u>

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 JANUARY 2017

23. PENSION COMMITMENTS

The Company operates a defined benefit contribution scheme. The assets of the scheme are held in the name of employees in an independently administered fund. The pension cost charge against profits in the period represents contributions payable to the fund and amounted to £110,091 (2015 - £114,957).

24. COMMITMENTS UNDER OPERATING LEASES

At 2 January 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2 January 2017 £	3 January 2016 £
Not later than 1 year	40,223	31,015
Later than 1 year and not later than 5 years	82,603	96,697
	<u>122,826</u>	<u>127,712</u>

25. RELATED PARTY TRANSACTIONS

Severn Valley Railway Company Limited

Severn Valley Railway Company Limited is a company limited by guarantee, supported by its membership, which provides the volunteer workforce without which the operation of the Railway would not be possible. During the period, the following transactions were undertaken with Severn Valley Railway Company Limited who own 1,675,389 (20.7%) of the Company's shares.

	2016 £	2015 £
Recharges to SVR Co Ltd	49,774	48,616
Recharges from SVR Co Ltd	823	600
	<u>49,774</u>	<u>48,616</u>

Severn Valley Railway Association

Severn Valley Railway Association is a body created to fundraise, support and communicate from the working members of the Severn Valley Railway to the Severn Valley Railway (Holdings) plc Board of Directors. During 2014 Severn Valley Railway Association commenced a merger process with Severn Valley Railway Company Limited. Severn Valley Railway Association continues to run fund raising raffles, pending the completion of the merger.

Donations totalling £Nil were received from Severn Valley Railway Association in the period (2015 - £15,405).

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 JANUARY 2017

25. RELATED PARTY TRANSACTIONS (CONTINUED)

Severn Valley Railway Charitable Trust Limited

Severn Valley Railway Charitable Trust is a registered charity with the following objectives:

- (1) to advance education for the benefit of the public by the acquisition, restoration, preservation and operation of heritage railway locomotives, carriages, wagons, station buildings, track and other associated infrastructure;
- (2) establishing buildings to house and preserve the Charity's rolling stock collection;
- (3) the provision of educational and interpretive displays for the travelling public; and
- (4) the provision of education and skills training used in the restoration, repair and operation of historic railways to ensure their long term survival.

Donations were received from Severn Valley Railway Charitable Trust Limited in the period amounting to £280,723 (2015 - £62,359).

Key Management Personnel Compensation

All directors and certain employees who have authority and responsibility for planning, directing and controlling the activities of the Company are considered to be key management personnel. Total remuneration in respect of these individuals was met by Severn Valley Railway (Holdings) plc and totalled £282,582 (2015 - £257,005). As disclosed in note 6, no Director, including the Chairman, directly received any fees, salary payments (including benefits in kind), pension contributions or other emoluments.