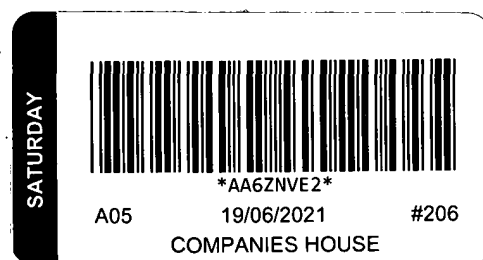


Registered number: 01046274

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 3 JANUARY 2021



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 G Bunker-James A Davies J A Dunster D E Malyon P R P Pearson H L Smith (appointed 15 September 2020) P W Swallow (appointed 16 February 2021) C G Thomas C W Walton D C Williams (resigned 23 October 2020) M R York (resigned 16 February 2021)
COMPANY SECRETARY	L J Whitehouse
REGISTERED NUMBER	01046274
REGISTERED OFFICE	Number One Comberton Place Kidderminster DY10 1QR
STATUTORY AUDITOR	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG
BANKERS	HSBC Bank plc 31 Church Street Kidderminster Worcestershire DY10 2AY
SOLICITORS	Higgs & Sons 3 Waterfront Business Park Brierley Hill DY5 1LX
REGISTRAR	Neville Registrars Ltd Steelpark Road Halesowen B62 8HD

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

CHAIRMAN'S STATEMENT FOR THE PERIOD ENDED 3 JANUARY 2021

The chairman presents his statement for the period.

Dear Shareholders,

The Severn Valley Railway, like many other organisations, has experienced one of the most challenging years in its history. The Coronavirus pandemic caused unprecedented barriers to the way the railway operates. Following several months of compulsory closure and strict social distancing by the government it is calculated that only 59,950 people visited the Railway in 2020, a decrease of 179,773 from 2019 and as a consequence sales income was £5,254,261 lower than 2019. As these restrictions have altered the railway has continually modified every area of the business to adapt to the developing situation.

The reported loss of earnings in 2020 is £460,559 but more crucially the year end cash position was £2,113,015 compared with £1,096,658 at the end of 2019. The result for the year has been positively impacted by the donations and grants received and these are detailed in relevant sections below. Your Board wishes to thank the incredible determination of our team of staff and volunteers and continued support from our loyal band of shareholders, members and donors.

Safety

57 accidents/incidents were reported in 2020 against 182 in 2019. 30 of these incidents involved injury to members of staff. 9 incidents involved members of the public. 2020 saw a total of 2 RIDDOR (Reporting of Injuries Diseases and Dangerous Occurrences Regulations) incidents, one of which was a fall from height at Bewdley Yard.

The reason for the decline in reported incidents is due largely to the Covid 19 pandemic and the reduction in staff & volunteer numbers and operating days. Q4 of 2020 saw the Railway employ a full time Health and Safety Manager. Safety has received a huge reinvigoration as a result of this appointment, and the SVR recognises that to operate a successful heritage railway, the focus has to be on continuously improving a positive culture. The Safety Committee meets monthly, reporting their findings and recommendations to the board. Safety is also the first item on the monthly board meeting agenda.

The closing months of 2020 saw the creation of four local safety forums. The forums will provide a means for greater engagement from all team members.

Target Zero and the SVR Safety Plan will set out a clear strategy for improving health and safety across the railway, aiming to be the leader in safety performance within the heritage railway movement by the end of 2023. Meetings have already taken place with teams at Bridgnorth and Kidderminster allowing staff to view their concerns; the results have so far shown a positive indication of change.

CBILS Loan

In June 2020 the railway received the news that the application for a loan of £1,500,000 under the CIBILS scheme had been successful. The Board approved the loan at the meeting on 21st July 2020 and the monies were received into the account in September 2020. This loan has been a lifeline for the cash position of the railway, however as with all loans it will need to be paid back. Monthly repayments commence in October 2021 at an annual sum of £336,000 which will put a considerable burden on the organisation.

Fundraising

The year end cash position has been improved also by considerable funding received this year. The Severn Valley Railway Charitable Trust have performed exceptionally well in providing both services and expertise in fundraising which has been key to the railway's drive to succeed. The 'Fight Back Fund' was launched at the beginning of the first lockdown, a public fundraising campaign designed to raise money for the first closure period. This campaign raised an incredible £950,000 from our wonderful supporters, members and donors, with £407,422 of the total being new share purchases.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

CHAIRMAN'S STATEMENT FOR THE PERIOD ENDED 3 JANUARY 2021

The national grant giving bodies then began to release new funding schemes designed to help heritage organisations forced to close because of the government restrictions. The SVR Holdings company received grants totalling £1,308,484. This comprises £250,000 from the National Heritage Lottery Fund, £50,000 from Wyre Forest Council, £453,000 from the Cultural Recovery Round 1 monies for the period from October to December 2020. The remainder of the Cultural Recovery Money will be allocated to the first three months of 2021 which is not considered in this report. We also received £555,484 in furlough funding from the Covid Job Retention Scheme. The Severn Valley Railway would like to thank everyone who contributed to the fundraising efforts this year, it really has made a significant difference to an extraordinarily difficult year.

Donations received

The total donations received by the Company in 2020 were £2,072,917 compared with £831,667 in 2019. Of this total SVRCT supported Railway projects to the value of £1,127,666 in 2020, compared with £658,372 the previous year. In addition, other donations received by the plc totalled £370,365 with donations received from the Stanier Mogul Fund, GWR (SVR) Association, LNER Coach Fund, legacy funds and SVRG on a number of specific projects.

In 2020 SVRCT contributed £182,000 towards the overhaul of Hagley Hall. It also fully funded, once again, the costs of running the Heritage Skills Training Academy (HSTA) £100,000. The ongoing restoration of the first wheelchair access buffet carriage 9581 (previously 5043) benefited from £24,000, carriage GWR 9615 received £24,000, the Gresley carriage received £12,500, the Hawksworth carriage received £12,000 and Class 11 Shunter restoration received £4,540. Engineering and Infrastructure received £270,626 and SVRCT also contributed £120,000 toward the cost of repair to the Sterns slip. The Falling Sands Viaduct Restoration & Education project received £205,000 towards the costs of the Falling Sands Viaduct project.

Falling Sands Viaduct

Starting in December 2019 and supported by the National Lottery Heritage Fund with grant receipts in the year of £572,563 and a donation of £205,000 from SVRCT.

This project required the closure of the line from Kidderminster to Bewdley at the beginning of 2020 which meant that services could only run from Bewdley to Bridgnorth for the first three months of the year. February 2020 brought challenges to the region with many areas surrounding the railway flooded and inaccessible. This severely affected visitor figures for the February Half Term with the railway welcoming only half the number of visitors compared to the previous year.

The work on Falling Sands Viaduct represents the single largest civil engineering project on an SVR structure that the railway has undertaken in its long history. The work was required due to the deteriorating condition of the viaduct which if left unchecked would ultimately have led to a down grading of the axle load the structure could safely carry. Thanks to a public appeal and a successful funding application to the National Lottery Heritage Fund (both run by the SVR Charitable Trust), we now have a viaduct that will be fit for another 50 years of SVR operations.

The project was divided into two discrete phases. The first of these required the removal of the track and all the fill material down to the tops of the arches. New drainage was installed along with concrete "flaunching" to direct rainwater into these new drains. After the application of a waterproofing sealant, the fill material was replaced, and track relaid back across the viaduct. Total cost of this phase was £320,543.

The second phase involved the use of specialist rope access contractors to carry out a comprehensive programme of repointing and brickwork repairs over the full length of the structure. In addition to this, the opportunity was taken to replace corbelling partly removed by British Rail using special glass fibre techniques to recreate the look of this aesthetically pleasing feature. The brick pilasters at the west end of the viaduct, also removed in the BR era, were rebuilt and capped using recycled stone that formerly adorned a structure in Manchester. Total cost of the second phase was £612,847.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

CHAIRMAN'S STATEMENT FOR THE PERIOD ENDED 3 JANUARY 2021

Falling Sands viaduct is now fully restored and will be safely carrying SVR trains well into the future. The funded activities can now take place to tell the story of how the viaduct was built and its significance in the history of the SVR to our visitors.

Engineering

Engineering in both Carriage & Wagon and the Locomotive Works continued throughout 2020, albeit at times with a substantially reduced workforce due to lockdowns and staff being furloughed. The emphasis within the carriage works and carriage shed at Kidderminster was on ensuring that the fleet of corridor coaches could be operated to the maximum extent, allowing groups of six persons to be socially distanced in our private compartments. Three rakes of corridor coaches were maintained throughout the operational periods in 2020. Recognition must be given to the carriage cleaners who have worked tirelessly to ensure the railway complied to the covid sanitisation procedures throughout the year. The Trip Advisor feedback from the visitors is a testament to how well the social distancing and cleaning procedures were delivered by the teams across the railway.

Some independently funded carriage contract work was also undertaken to assist with revenue generation. Within the locomotive works, boiler shop staff were able to continue with contract work. Notably the second new build boiler for the Isle of Man Railway was completed and despatched to the island in May. The overhaul of the boiler for ex-GWR 4930 'Hagley Hall' was completed and returned to Bridgnorth in December, from its repair at Northern Steam Engineering in Stockton-on-Tees. After the first lockdown, work on 4930 was able to continue within Bridgnorth works focused on the frames, axles-boxes, motion and the completion of numerous new cab fittings, and with the tender being all but complete by year end. The other heavy overhaul underway, that of LMS Stanier mogul 13268, reached that stage of a rolling-chassis, whilst in the boiler shop, the new back-head plate work was fitted, along with a small boiler patch and other aspects of the boiler repair were progressed.

Once again, we were obliged to capitalise Hagley Hall overhaul costs of £77,512 incurred in 2020 compared with £189,594 in 2019. These costs will be written off over life of the locomotive boiler ticket.

Locomotive Running Figures

2019 saw 1061 steaming days covered by SVR Steam Locomotives, with a mileage of 61,753 miles (58 miles per day average) achieved. Top mileage loco was 7714 which covered 9254 miles over 160 steaming days. 1912 tons of coal was ordered at a cost of £263,464 whilst commercial locomotive hire was £165,092 in part offset by income £48,603 from locomotives hired out to other railways.

In 2020 there were 346 steaming days with a total mileage of 15,683 miles (45 miles per day average). Top mileage loco this time was 75069 which covered 3,993 miles over 79 steaming days. 664 tons of coal was ordered at a cost of £81,365 whilst commercial locomotive hire was £3,280.

Commercial Activity

Events

Whilst reinventing how the railway operates in 2020 the concept of the 'Excursion train' was introduced. The visitor is allocated their own private compartment for the whole day and enjoys an excursion with a set timetable. This proved incredibly popular with many other heritage railways soon following suit. Even after the pandemic is over this will be an experience that will remain in the portfolio of experiences provided for the visitors.

Unfortunately, due to the pandemic the 1940's event, the Spring Steam and Diesel and the Autumn Steam and Diesel Galas had to be cancelled. The Ghost Trains, Scream Trains, Santa Trains and Steam in Lights did go ahead welcoming over 25,387 people and bringing in £647,122 of much needed income.

The Directors wish to express their grateful thanks once again to all our event organisers and teams who through their experience and skills provide such important and enjoyable events for our passengers.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

CHAIRMAN'S STATEMENT FOR THE PERIOD ENDED 3 JANUARY 2021

Bars

The bar income was £382,052 equivalent to 34% of the sales in 2019 (£1,120,349).

Catering

Catering income was £235,998 equivalent to 19%, of the sales in 2019 (£1,251,934).

Giftware

Giftware achieved an income of £230,622 equivalent to 54% of the sales in 2019 (£426,303). There was a marked increase in internet sales which were £78,286 compared to just £868 in 2019.

Capital Expenditure

Capital expenditure in 2020 totalled £1,560,053 compared with £1,458,036 in 2019, of which £17,289 came from share offer monies compared with £870,594 in 2019 and £1,542,764 from operating cashflow compared with £476,663 in 2019. Of the share offer funds £17,289 was spent on the Bridgnorth Refreshment Room, Bridgnorth disabled toilet, Bridgnorth car park and access roads leaving. The opening of our wonderful, historically accurate Refreshment Room and the provision of 220 parking spaces at the north end of the Railway is a watershed moment for the Railway. The SVR has a great opportunity to expand its audience reach providing Bridgnorth for the first time with an excellent place to start an SVR journey as well as being an improved destination for passengers travelling from Kidderminster.

The £1,542,764 capital expenditure funded by operating cashflow consists of a large number of projects, the most significant of which were; £933,390 on the Falling Sands Viaduct, £140,995 on the Sterns drainage scheme, £140,467 on the Foley Park track relay and £148,536 on the overhaul of Hagley Hall.

Key Staff

Louise Whitehouse, Head of Finance

Following Simon Harts resignation in May 2020, Louise Whitehouse joined the Senior Leadership Team in the summer of 2020. Louise is an incredibly skilled accountant with a strong commercial background working for some large property companies through her 30-year career. Louise has picked up the reigns with great enthusiasm and passion and is making a huge difference in supporting her team and making the changes needed to shape the future of the SVR.

Lesley Carr, Head of Marketing and Communications

In July 2020 Lesley Carr moved across from the SVR Charitable Trust and joined SVR Holdings as Head of Marketing and Communications. With a background in TV and radio journalism Lesley brings a wealth of talent to the department and has made a significant difference to the railway's communications in a very short time. The pandemic required the organisation to revise how tickets were sold with the emphasis on a prebooked experience purchased online. This was a new way of marketing to visitors and has brought many benefits with the additional information being provided such as customer contact details, consumer behaviour and the ability to collect feedback from every visitor.

Directors

In October David Williams, who had been Chairman of the Guarantee Board for 41 years, retired and it was proposed that his successor should be Diane Malyon; the Guarantee Board agreed unanimously. The Board would like to thank David for his service and contribution over the last 41 years.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

CHAIRMAN'S STATEMENT FOR THE PERIOD ENDED 3 JANUARY 2021

In February 2021, after more than 45 years of loyal service, Mick York retired as a Director of the Severn Valley Railway Holdings Board. Mick became a Director of SVR Holdings in May 1975, and its Chairman in two stints, from 1993 to 1999, and from 2002 to 2011. The Board wish to thank Mick for his contribution as a Director and Chairman since 1975.

Phil Swallow was co-opted to the Holdings Board in February 2020. Phil will be well known to many volunteers and staff on the SVR having been a volunteer and supporter of the railway since 1975. His passion for the SVR has been demonstrated by his considerable efforts to see the SVR succeed and remain the premier UK heritage railway. Away from the SVR, Phil's professional career has taken him across the globe. During a 32-year career at Accenture.

In retirement, Phil continues part time consultancy for Accenture and is a mentor to directors in a number of organisations. He is also a member of the senior advisory panel at Crossrail where he advises on overall programme management and software estate testing and management. Phil has also recently been appointed as a Non-Executive Director of the Home Office.

Finally, before turning to the future thanks are due to all those volunteer directors and trustees who have taken part in the command team meetings for the last 12 months. At the beginning of the pandemic Gold, Silver and Bronze command teams were formed from all three SVR companies (Holdings PLC, Guarantee Company and Charitable Trust). This ensured effective communication across the railway and timely decision making for the benefit of the whole railway.

Future

Post pandemic the Severn Valley Railway will have to adapt to a changing society, it is possibly too soon to know if consumer behaviour and confidence has changed forever, or if things will get back to 'normal'. However, the railway is working on a 5-year strategy that will put the visitor at the heart of its development.

The strategy has three main themes:

1. Safety
2. People
3. Heritage

Safety must continue to be central to everything that happens at the railway.

The SVR want to be recognised as the best Heritage Railway in the UK to volunteer, work and visit.

The SVR strives to be the best Heritage Railway in the UK and is recognised for excellence in preserving and sharing its heritage.

The strategy, which has been accepted by all of the SVR organisations, will secure a cohesive approach to the continued development of the railway. The culmination of that work will in turn generate support for the railway so it can continue to be preserved for future generations to cherish.

However big or small your contribution in making this organisation work either now or in the future, it is needed and appreciated.

The Board wishes to thank all shareholders, the SVRCT Trustees, SVRG Directors and Rolling Stock Owners and Supporters for their continued excellent support in 2020 which is essential to the Railway's future protection and growth.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

**CHAIRMAN'S STATEMENT
FOR THE PERIOD ENDED 3 JANUARY 2021**

Subject to government edicts, your board and I are looking forward to meeting with you at the AGM which is to be held at St Georges Hall, Load Street, Bewdley at 2.30pm on Saturday 11th September 2021.

Full details will be posted to all shareholders in due course and will be available on www.svrlive.co.uk/agm2021.



Name Nick Paul CBE
Chairman

Date 15 June 2021

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

DIRECTORS' REPORT FOR THE PERIOD ENDED 3 JANUARY 2021

The Directors present their report and the financial statements for the period ended 3 January 2021.

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 to 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 loss for the period, after taxation, amounted to £460,559 (2020 - profit £287,287).

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 does not 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 3 JANUARY 2021

DIRECTORS

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

	Ordinary shares of £1 each	
	3/1/21	5/1/20
N C Paul CBE	7,451	7,451
M E Ball	3,000	3,000
A C Barr MBE	3,800	3,800
A G Bending	6,100	6,100
G Bunker-James	250	250
A Davies	500	500
J A Dunster	750	750
P R P Pearson	3,130	3,130
H L Smith (appointed 15 September 2020)	-	-
C G Thomas	11,822	11,822
C W Walton	3,748	2,748
D C Williams (resigned 23 October 2020)	2,500	2,500
M R York (resigned 16 February 2021)	1,500	1,500
D E Malyon	987	-

FUTURE DEVELOPMENTS

Post pandemic the Severn Valley Railway will have to adapt to a changing society, it is possibly too soon to know if consumer behaviour and confidence has changed forever, or if things will get back to 'normal'. The Directors will continue to react quickly and appropriately to safeguard both staff welfare and the financial security of the company. The Directors have considered that despite the impact the Company is still a Going Concern and summary of their assessment is in note 2.2.

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.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 3 JANUARY 2021**

AUDITOR

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

This report was approved by the board on 15 June 2021 and signed on its behalf.



N C Paul CBE
Director

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

STRATEGIC REPORT FOR THE PERIOD ENDED 3 JANUARY 2021

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 3 January 2021 (prior period - 5 January 2020) to correspond with the end of the Company's 'festive season' running schedule.

BUSINESS REVIEW

The Directors report a loss for the year of £(460,559) compared to £287,287 profit in 2019. A comparison of 2019 to 2020 accounts shows that turnover has decreased by £(5,254,261).

It is estimated that 59,950 people visited the railway in 2020, compared to 239,723 in 2019. This estimate is based on the recorded number of passengers purchasing tickets to travel.

The Company's Net Current Asset position at 3 January 2021 increased by £959,050 in the year. The cash position increased by £1,016,357 largely as a result of the receipt of the CBILS Loan.

PRINCIPAL RISKS AND UNCERTAINTIES

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

- The impact of COVID-19 and other pandemics. The key risk is the massive uncertainty going forward. In essence what will be the government's future response be to the pandemic, how long it will last and what will be the impact on the has on all operations from pubs, catering and train operations.
- 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
- Availability of cash
- Key management team remaining in post

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 3 JANUARY 2021**

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 15 June 2021 and signed on its behalf.



N C Paul CBE
Director

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

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

OPINION

We have audited the financial statements of Severn Valley Railway (Holdings) plc (the 'Company') for the period ended 3 January 2021, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 3 January 2021 and of its 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.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

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

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS 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 the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the 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 or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Taxation legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR); Anti-fraud, bribery and corruption legislation; Environmental protection legislation; Health and safety legislation; Reporting of Injuries Diseases and Dangerous Occurrences Regulations; Taxation legislation; Employment legislation and the Companies Act 2006.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be: the override of controls by management, income recognition and distinction between capital and revenue expenditure. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases. In addition to this we have also conducted sample testing to review conditions of grants, completed cut off testing around year end to ensure income has been recognised in the correct period, and reviewed additions to ensure that the expenditure is correct to be capitalised.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

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

USE OF OUR REPORT

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.



Dave Darlaston (Senior Statutory Auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

16 June 2021

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 3 JANUARY 2021**

	Note	2020 £	2019 £
Turnover	4	3,009,855	8,264,116
Cost of sales		(5,100,875)	(7,297,587)
GROSS (LOSS)/PROFIT		(2,091,020)	966,529
Administrative expenses		(1,057,572)	(875,219)
Other operating income	5	2,725,572	229,464
OPERATING (LOSS)/PROFIT	6	(423,020)	320,774
Interest receivable and similar income		542	1,770
Interest payable and expenses	8	(38,081)	(35,257)
(LOSS)/PROFIT BEFORE TAX		(460,559)	287,287
Tax on (loss)/profit	9	-	-
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD		(460,559)	287,287
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(460,559)	287,287

The notes on pages 22 to 38 form part of these financial statements.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC
REGISTERED NUMBER: 01046274

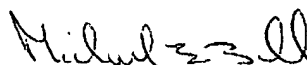
BALANCE SHEET
AS AT 3 JANUARY 2021

	Note	3 January 2021 £	5 January 2020 £
FIXED ASSETS			
Intangible assets	10	38,209	43,978
Tangible assets	11	16,414,605	15,550,372
		<u>16,452,814</u>	<u>15,594,350</u>
CURRENT ASSETS			
Stocks	12	464,006	633,670
Debtors: amounts falling due within one year	13	421,177	290,399
Cash at bank and in hand	14	2,113,015	1,096,658
		<u>2,998,198</u>	<u>2,020,727</u>
Creditors: amounts falling due within one year	15	(1,832,711)	(1,814,290)
NET CURRENT ASSETS		<u>1,165,487</u>	<u>206,437</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>17,618,301</u>	<u>15,800,787</u>
Creditors: amounts falling due after more than one year	16	(5,761,026)	(3,914,547)
PROVISIONS FOR LIABILITIES			
Other provisions	19	(220,729)	(196,557)
		<u>(220,729)</u>	<u>(196,557)</u>
NET ASSETS		<u>11,636,546</u>	<u>11,689,683</u>
CAPITAL AND RESERVES			
Called up share capital	21	10,448,148	10,040,726
Profit and loss account	20	1,188,398	1,648,957
		<u>11,636,546</u>	<u>11,689,683</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 June 2021.



N C Paul CBE
Director



M E Ball
Director

The notes on pages 22 to 38 form part of these financial statements.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 3 JANUARY 2021**

	Called up share capital £	Profit and loss account £	Total equity £
At 7 January 2019	9,716,946	1,361,670	11,078,616
Profit for the period	-	287,287	287,287
Shares issued during the period	323,780	-	323,780
At 6 January 2020	10,040,726	1,648,957	11,689,683
Loss for the period	-	(460,559)	(460,559)
Shares issued during the period	407,422	-	407,422
At 3 January 2021	10,448,148	1,188,398	11,636,546

The notes on pages 22 to 38 form part of these financial statements.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 3 JANUARY 2021**

	3 January 2021 £	5 January 2020 £
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit for the financial year	(460,559)	287,287
ADJUSTMENTS FOR:		
Amortisation of intangible assets	5,769	6,689
Depreciation of tangible assets	695,820	670,428
Interest paid	38,081	17,289
Interest received	(542)	(1,770)
Decrease/(increase) in stocks	169,664	(38,024)
(Increase)/decrease in debtors	(130,778)	181,578
Increase/(decrease) in creditors	401,898	(353,183)
Increase/(decrease) in provisions	24,172	(1,968)
NET CASH GENERATED FROM OPERATING ACTIVITIES	743,525	768,326
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible fixed assets	-	(5,032)
Purchase of tangible fixed assets	(1,560,053)	(1,458,036)
Interest received	542	1,770
NET CASH FROM INVESTING ACTIVITIES	(1,559,511)	(1,461,298)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of ordinary shares	407,422	112,583
New secured loans	1,500,000	-
Repayment of loans	(31,023)	(77,660)
Repayment of other loans	(5,975)	(4,435)
Interest paid	(38,081)	(17,289)
NET CASH USED IN FINANCING ACTIVITIES	1,832,343	13,199
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,016,357	(679,773)
Cash and cash equivalents at beginning of period	1,096,658	1,776,431
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	2,113,015	1,096,658
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD COMPRISE:		
Cash at bank and in hand	2,113,015	1,096,658
	2,113,015	1,096,658

The notes on pages 22 to 38 form part of these financial statements.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

**ANALYSIS OF NET DEBT
FOR THE PERIOD ENDED 3 JANUARY 2021**

	At 6 January 2019 £	Cash flows £	Other non- cash changes £	At 3 January 2021 £
Cash at bank and in hand	1,096,658	1,016,357	-	2,113,015
Debt due after 1 year	(396,049)	(1,463,002)	42,549	(1,816,502)
Debt due within 1 year	(68,786)	-	(42,549)	(111,335)
	<u>631,823</u>	<u>(446,645)</u>	<u>-</u>	<u>185,178</u>

The notes on pages 22 to 38 form part of these financial statements.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 JANUARY 2021

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 England and Wales. The address of the registered office and principal 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

Despite the current circumstances, and having assessed the potential impact of various uncertainties, the Directors believe that the company's financial resources and contingency planning is sufficient to ensure the ability of the company to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

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:

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

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 JANUARY 2021

2. ACCOUNTING POLICIES (CONTINUED)

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 (including government grants)

Grants, including government 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.

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.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 JANUARY 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.5 TANGIBLE FIXED ASSETS (CONTINUED)

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 3 JANUARY 2021

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 3 JANUARY 2021

4. TURNOVER

	2020 £	2019 £
Traffic	1,223,989	4,082,371
Catering	235,998	1,251,934
Bars	382,052	1,120,349
Giftware	230,622	426,303
Contract engineering	305,004	355,514
Other (including specific purpose donations)	389,561	787,534
Release of capital grants	242,629	240,111
	<u>3,009,855</u>	<u>8,264,116</u>

All turnover arose within the United Kingdom.

5. OTHER OPERATING INCOME

	2020 £	2019 £
Rents received	17,966	25,502
Government grants receivable	620,822	-
General donations and legacies	1,275,199	154,143
Other non trading income	108,585	49,819
Other grant income	703,000	-
	<u>2,725,572</u>	<u>229,464</u>

Included in Government grants receivable is £555,484 of Coronavirus Job Retention Scheme income, £50,000 from the Wyre Forest District Council, and £15,338 for notional interest applied to the CBILS Loan.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2021**

6. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	695,820	670,428
Amortisation of intangible fixed assets	5,769	6,689
Operating lease rentals	11,774	11,251
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	16,950	16,950
- Other services	1,950	7,065
- Taxation compliance services	4,500	4,000
	<u>695,820</u>	<u>670,428</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:

	2020 £	2019 £
Wages and salaries	2,368,793	2,535,709
Social security costs	173,433	168,897
Cost of defined contribution pension scheme	178,436	169,013
	<u>2,720,662</u>	<u>2,873,619</u>

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

	2020 No.	2019 No.
Full time	95	86
Part time	23	26
Casual	61	85
	<u>179</u>	<u>197</u>

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2021**

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020 £	2019 £
Bank interest payable	29,909	17,289
Finance charge	8,172	17,968
	<u>38,081</u>	<u>35,257</u>

9. TAXATION

FACTORS AFFECTING TAX CHARGE FOR THE PERIOD

The tax assessed for the period is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2020 £	2019 £
(Loss)/profit on ordinary activities before tax	<u>(460,559)</u>	<u>287,287</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(87,506)	54,585
EFFECTS OF:		
Depreciation of Ineligible Assets	(189,165)	82,494
Capital allowances for period in excess of depreciation	-	(27,055)
Non-taxable income	-	(98,443)
Deferred tax adjustment	276,671	(11,581)
TOTAL TAX CHARGE FOR THE PERIOD	<u>-</u>	<u>-</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The Company has a potential deferred tax asset of £872,969 (2019 - £744,589) relating to tax losses carried forward and a potential deferred tax asset of £605,903 (2019 - £334,951) relating to fixed asset timing differences. These assets assume future tax rates of 19%.

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.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2021

10. INTANGIBLE ASSETS

	Software £
COST	
At 6 January 2020	62,674
At 3 January 2021	62,674
AMORTISATION	
At 6 January 2020	18,696
Charge for the period on owned assets	5,769
At 3 January 2021	24,465
NET BOOK VALUE	
At 3 January 2021	38,209
At 5 January 2020	43,978

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2021**

11. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Locos and rolling stock £	Office equipment & motor vehicles £	Commercial fixtures, fittings & equipment £	Capital work in progress £	Total £
COST OR VALUATION						
At 6 January 2020	19,569,714	1,076,671	273,806	2,406,016	1,007,514	24,333,721
Additions	1,152,855	8,664	5,376	66,021	327,137	1,560,053
Transfers between classes	171,631	-	-	-	(171,631)	-
At 3 January 2021	20,894,200	1,085,335	279,182	2,472,037	1,163,020	25,893,774
DEPRECIATION						
At 6 January 2020	6,712,104	770,512	234,255	1,066,478	-	8,783,349
Charge for the period on owned assets	532,108	17,021	13,076	133,615	-	695,820
Transfers between classes	(7,709)	-	-	7,709	-	-
At 3 January 2021	7,236,503	787,533	247,331	1,207,802	-	9,479,169
NET BOOK VALUE						
At 3 January 2021	13,657,697	297,802	31,851	1,264,235	1,163,020	16,414,605
At 5 January 2020	12,857,610	306,159	39,551	1,339,538	1,007,514	15,550,372

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 3 JANUARY 2021**

12. STOCKS

	2020 £	2019 £
Stores	266,652	398,188
Goods for resale	197,354	235,482
	<u>464,006</u>	<u>633,670</u>

The carrying value of stocks are stated net of impairment losses totalling £98,171 (2020 - £106,340) . Impairment losses totalling £8,169 (2020 - £5,550) were recognised in profit and loss.

13. DEBTORS

	2020 £	2019 £
Trade debtors	91,414	126,331
Other debtors	137,144	61,342
Prepayments and accrued income	192,619	102,726
	<u>421,177</u>	<u>290,399</u>

An impairment loss of £17,869 (2019 - £1,334) was recognised as an expense against debtors during the year.

Increase in other debtors is due to the VAT refund of £120,998 (2019 - £52,523) due at the year end. This is higher than previous years due to VAT claimed on project costs for Falling Sands.

Increase in other debtors is due to prepaid insurance of £103,181 (2019 - £13,886) arising from a change to the insurance policy renewal date.

14. CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Balance at bank	2,108,285	1,087,174
Cash balances	4,730	9,484
	<u>2,113,015</u>	<u>1,096,658</u>

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2021**

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Bank loans (Note 17)	96,504	47,980
Other loans	14,831	20,806
Trade creditors	865,455	845,158
Other taxation and social security	47,806	55,318
Other creditors	464,433	265,124
Accruals and deferred income	343,682	579,904
	<u>1,832,711</u>	<u>1,814,290</u>

Increase in the bank loans is due to the CBILS loan, with repayments falling due from October 2021.

Other creditors includes deposits totalling £367,653 (2019 - £226,992) held for events which were postponed due to the pandemic.

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

	2020 £	2019 £
Bank loans	1,816,502	396,049
Accruals and deferred income	3,944,524	3,518,498
	<u>5,761,026</u>	<u>3,914,547</u>

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2021

17. LOANS

Analysis of the maturity of loans is given below:

	2020 £	2019 £
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank loans	96,504	47,980
Other loans	14,831	20,806
	<u>111,335</u>	<u>68,786</u>
AMOUNTS FALLING DUE 2-5 YEARS		
Bank loans	1,310,909	139,722
	<u>1,310,909</u>	<u>139,722</u>
AMOUNTS FALLING DUE AFTER MORE THAN 5 YEARS		
Bank loans	505,593	256,327
	<u>505,593</u>	<u>256,327</u>
	<u>1,927,837</u>	<u>464,835</u>

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 JANUARY 2021

17. LOANS (CONTINUED)

Loan 1 - Kidderminster

This loan was repaid in full during 2020.

Loan 2 - 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 3 January 2021 £9,277 is repayable within one year, £40,027 is repayable in 2 to 5 years and £77,908 is repayable in over 5 years.

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

Loan 3 - 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 March 2016. The loan limit is capped at £372,000 and is repayable over a term of fifteen years. Repayment commenced on 11 April 2016 at a rate of £2,651 (including interest). At 3 January 2021 £19,401 is repayable within one year, £83,705 is repayable in 2 to 5 years and £182,688 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.

Loan 4 - Coronavirus Business Loan

The loan limit is capped at £1,500,000 and is repayable over a term of six years, with an initial 12 month period where no repayments are made. The total amount drawn down was £1,500,000 and repayment commences in October 2021 at a rate of £28,000 (including interest). At 3 January 2021 £67,826 is repayable within one year, £1,187,177 is repayable in 2 to 5 years and £244,997 is repayable in over 5 years.

Interest is charged at 3.99% over HSBC base rate.

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2021**

18. FINANCIAL INSTRUMENTS

	3 January 2021 £	5 January 2020 £
FINANCIAL ASSETS		
Financial assets measured at amortised cost	107,549	135,150
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	(3,189,996)	(1,646,459)

Financial assets measured at amortised cost comprise trade debtors, other debtors and accrued income.

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

19. PROVISIONS

	Locomotive and rolling stock provision £
At 6 January 2020	196,557
Charged to profit or loss	16,000
Arising on business combinations	8,172
AT 3 JANUARY 2021	220,729

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 £248,000 (2019 - £232,000).

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2021

20. RESERVES

Profit & loss account

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

21. SHARE CAPITAL

	2020 £	2019 £
AUTHORISED		
14,000,000 (2020 - 14,000,000) Ordinary shares of £1.00 each	<u>14,000,000</u>	<u>14,000,000</u>
ALLOTTED, CALLED UP AND FULLY PAID		
10,251,923 (2018 - 10,139,340) Ordinary shares of £1.00 each	<u>10,448,148</u>	<u>10,040,726</u>

During the period the Company issued 112,583 (2018 - 68,024) Ordinary shares at par. The consideration received was £112,583 (2018 - £68,024).

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

	2020 £	2019 £
2012 share offer costs	89,950	89,950
2016 share offer costs	<u>121,247</u>	<u>121,247</u>
	<u>211,197</u>	<u>211,197</u>

22. CAPITAL COMMITMENTS

At 3 January 2021 the Company had capital commitments as follows:

	2020 £	2019 £
Contracted for but not provided in these financial statements	-	463,593
	<u>-</u>	<u>463,593</u>

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2021**

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. Contributions totalling £15,321 (2019: £Nil) were payable to the fund at the balance sheet date and are included in creditors.

24. COMMITMENTS UNDER OPERATING LEASES

At 3 January 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	3 January 2021 £	5 January 2020 £
Not later than 1 year	52,373	35,934
Later than 1 year and not later than 5 years	66,161	53,650
Later than 5 years	817	-
	<u>119,351</u>	<u>89,584</u>

SEVERN VALLEY RAILWAY (HOLDINGS) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 JANUARY 2021

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 1,838,272 (17.25%) of the Company's shares.

	2020 £	2019 £
Recharges to SVR Co Ltd	<u>12,584</u>	<u>29,515</u>

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 £1,127,666 (2019 - £667,028). £- (2019 - £55,271) is held in deferred income in relation to future projects.

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. 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. Total remuneration in respect of the other individuals was met by Severn Valley Railway (Holdings) plc and totalled £428,893 (2019 - £363,928). The increase in the year is due to reclassification of individuals now considered to be key personnel.