

**THE STANDARD STEAM LOCOMOTIVE COMPANY
LIMITED**

(A Company limited by guarantee)

APPROVED REPORT & FINANCIAL STATEMENTS

30 April 2021

**Charity Number 1062320
Company Number 03192444**

THE STANDARD STEAM LOCOMOTIVE COMPANY LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2021

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THE STANDARD STEAM LOCOMOTIVE COMPANY LIMITED

TRUSTEES AND PROFESSIONAL ADVISERS

YEAR ENDED 30 APRIL 2021

Trustees & Directors

Mr. A. Jones (Chairman)
Mr. A. England
Mr. I. Henderson
Mr. J. Hind
Mr. R. Ife
Mr. C. Jones
Mr. G. Turner
Mr. P. Waldron

Company Secretary

Mr. P Waldron

Correspondence address

97 Pingle Road
Sheffield
S7 2LN

Independent Examiner

Mrs Eileen Osborn-King

Bankers

Lloyds Bank plc
Business Centre
PO Box 1000
BX1 1LT

THE STANDARD STEAM LOCOMOTIVE COMPANY LIMITED

ANNUAL REPORT

YEAR ENDED 30 APRIL 2021

The trustees present their report and the financial statements of the Company for the year ended 30 April 2021, under the terms of the Memorandum and Articles of Association.

AIMS & OBJECTIVES

The Standard Steam Locomotive Company Limited ("the Charity") is an independent charitable company limited by guarantee, incorporated on 30 April 1996 and also registered as a charity in 1996. It was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association (as amended by Special Resolution dated 21 September 2019). In the event of the Charity being wound up the Directors are required to contribute an amount not exceeding £1.

The Charity's purposes are as set out in the objects contained in the Memorandum and Articles of Association, namely to construct and operate a steam locomotive and to exhibit for public benefit, for educational and instructional purposes, a locomotive of historic or scientific importance. This involves specifically building a BR Standard "Clan" Class locomotive 72010 "Hengist" of lot 242 cancelled by BR in 1956, to prove the success of the Standard 6MT design and include the modifications that were to be made to Lot 242.

The aims of the Charity are to construct a modern, go anywhere, low maintenance, low running cost steam locomotive, to complement and help complete the story of the British Railways' Standard Class Locomotives. These aims fully reflect the purposes that the Charity was set up to further.

PUBLIC BENEFIT

The Charity's aims and achievements are set out within this report. The activities set out in this report have been undertaken to further the Charity's charitable purposes for the public benefit. The trustees have complied with this duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission and the Trustees have paid due regard to this guidance in deciding what activities the Charity should undertake.

ORGANISATION, MANAGEMENT and GOVERNANCE

The Charity is run by a Council of Management ("CofM") of up to 9 individuals who meet and correspond regularly and are responsible for its strategic direction and policy. Being a Charitable Company, the CofM participants are both Trustees & Directors. They come from a variety of professional backgrounds relevant to the work of the Charity. All individuals serving on the CofM give their time voluntarily and received no benefits from the Charity.

Those persons on the CofM, who served during the year under review, are set out on page 3.

New Members of the CofM are appointed on the basis of having appropriate experience and skills, and are formally advised by existing Members as to their responsibilities and duties.

Under the requirements of the Memorandum and Articles of Association one third of the Members of the CofM retire each year, but are eligible to re-elected at the next Annual General Meeting (AGM). All Members appointed during the year are required to be elected at the next AGM.

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The CofM conducts a periodic review of the major risks to which the Charity is exposed, and, where required, systems or procedures are established to mitigate the risks the Charity may face. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with the health and safety of volunteers and volunteers attending forums and supporting sales events. These are also periodically reviewed to ensure that they continue to meet the needs of the Charity and its members and volunteers.

THE COUNCIL OF MANAGEMENT

The individuals who served the Charity on the CofM during the period were as follows:

Mr. A. Jones (Chairman; Director & Trustee)
Mr. A. England (Trustee & Director)
Mr. I. Henderson (Director & Trustee)
Mr. J. Hind (Director & Trustee – appointed 14th March)
Mr. R. Ife (Director & Trustee)
Mr. C. Jones (Director & Trustee)
Mr. G. Turner (Director & Trustee)
Mr. P. Waldron (Director & Trustee; Company Secretary)

TRUSTEES' RESPONSIBILITIES

Charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity at the end of the year and of the incoming and outgoing resources for the year then ended.

In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in operational existence.

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

The Charity is entitled to an exemption from the audit requirement contained in Section 477 of the Companies Act 2006 for the year ended 30th April 2020. No member of the Charity has deposited a notice pursuant to Section 476, requiring an audit of these accounts.

The Council of Management acknowledge their responsibilities for ensuring that the Charity keeps accounting records which comply with Section 386 of the Act and for preparing accounts which give a true and fair view of the state of the affairs of the Charity as at the end of the financial year in question and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 in relation to accounts, so far as applicable to the Charity.

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REVIEW OF DEVELOPMENTS, ACTIVITIES AND ACHIEVEMENTS

In the last year, the Council of Management (CofM) has continued to ensure that the Charity sustains progress towards the stated aim of the project, namely to construct and operate a steam locomotive for public benefit, thereby providing for both educational and instructional purposes, a locomotive of historic importance.

The frame assembly process continues to make progress at the project's base within CTL Seal in Sheffield. The main frame assembly has completed its journey through the machine shop and has returned to the assembly area. Many of the permanent bolts have been fitted, as have 48 hot rivets in areas where it is not possible to use fitted bolts due to there being insufficient space to accommodate them because of restricted clearances.

Although the frame assembly process continues to be the main focus, excellent progress has been made with regard to the cylinder patterns. Regular reports are received from the pattern maker, along with photographs of the work in progress.

Design work on the front bogie of the locomotive has been completed, with many components completed and others on order. A contract has been signed with South Devon Railway Engineering (SDRE) for the assembly of the bogie wheelsets. SDRE have ordered the bogie wheel tyres and axles as part of this contract. These items have a very long lead time for production and it may be as much as twelve months before these parts are received from the manufacturer. During the period under review, the bogie appeal successfully reached its target and has now been closed.

Commercial activities have been very restricted during this period due to the world COVID pandemic which has meant that the sales team members have been unable to attend gala events at preserved railways. We have had some success with items for sale in our website shop proving popular. The better quality model railway items have been added to the web shop sales stock, with some limited sales being the result. The return to normal trading conditions later in the year is greatly anticipated.

Design work has started on the design for the boiler. It has been decided that the boiler will be of all steel, welded construction rather than having a copper firebox and riveted construction as in the original members of the class. This will reduce the costs of building the boiler, plus it removes the need to source a supply of arsenical copper with the inherent risks of working with this dangerous material. The all steel boiler will also be lighter so improving the route availability of the locomotive when completed. The opportunity will also be taken to increase the pressure of the boiler from 225 PSI to 250 PSI as part of the design process.

The build diary section of our website continues to record a summary of progress for all members and the public to view. This has enabled the project to keep everyone better informed of progress.

The Engineering subcommittee continues to meet regularly to drive the project forward. Visits are made to CTL Seal every week by a team of volunteers as well as members of the engineering team. These visits will continue for the foreseeable future to progress construction. Away from CTL, design work has been undertaken on the front bogie cannon boxes by the members of the committee. Working drawing were produced and the cannon boxes have been cast by South Lincs Foundry of Spalding Lincolnshire. The order for the roller bearings for the cannon boxes has been placed. The other internal components have yet to be ordered.

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The completed locomotive (cab and smokebox) remain available for members and guests to inspect at open days and AGMs.

The storage container which was made available to the project has been fitted with LED lighting powered by a solar panel. It has been fitted out with shelving and a work bench. Newly manufactured ferrous parts are catalogued and placed onto one of the numbered shelves until required in the assembly shop. The majority of the sales stock used at the various events attended by the sales team are also stored within the container. A generator has recently been acquired which means that hand held power tools can be used at the container enabling work on cleaning stored components to be carried out more efficiently prior to their being placed into anti corrosive primer. A complete painting system has been developed with primer, undercoat and topcoat all being supplied by a rail approved manufacturer.

Membership numbers continue to increase steadily. Membership leaflets continue to be placed around the country and in particular at the many preserved railways, with some success, though this has unfortunately been curtailed considerably in the last period again due to the COVID pandemic.

The project continues to get very favourable coverage in a leading steam orientated railway magazine, and has recently had an extensive article published in a further magazine which has proved to be very popular. A weekly update on various social media pages is carried out. These are very well received with many positive comments about progress made on a regular basis.

Members continue to receive two issues a year of the in-house magazine Clan News, which details progress made in the preceding period, and provides information on how they can assist in the promotion of the Charity's aims. During the year electronic newsletters have been introduced for those members with email addresses who are keen to receive more regular reports. A newsletter is sent every alternate three months to Clan News, with project updates issued electronically at two week intervals in between.

We have recently appointed a Director of Quality and Mainline certification, John Hind B.Sc. CEng MIMechE, who will ensure that all paper work is in place and in order to support the application for certification to work on the main line railway network.

The finances of the Charity remain very healthy as will be seen elsewhere in this report. Costs remain under tight control, as the CofM continually concentrate on ensuring that the majority of funds raised go towards the project's main aim of building a new steam locomotive.

PRINCIPAL FUNDING SOURCES

Aside from income generated by sales of donated items and company merchandise, the principal funding source for the Charity remains monthly and ad-hoc donations, and legacies. In addition, the Charity continues to seek sponsorship and funding of parts and items which contribute towards the long term building plans.

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INVESTMENT POLICY

Aside from retaining a prudent amount to cover day-to-day expenses and costs, the Charity's funds are spent in the short term, leaving little scope for any long term investment. The Council of Management remains of the opinion that this is the most appropriate course of action to meet the aims of the Charity.

RESERVES POLICY

The Council of Management is satisfied with the overall financial position of the Charity. They have examined the Charity's requirements for reserves in light of the main risks to the organisation and have established a policy whereby contracts for new components are entered into only as and when sufficient funds are available. In addition funds are only committed if the expenditure is in line with the build plan. The strategy is to continue to build reserves through planned operating surpluses when possible.

Correspondence address:
97 Pingle Road
Sheffield
S7 2LN

Signed by order of the Trustees:

A rectangular box containing a handwritten signature in black ink that reads "A. Jones".

Mr Allan Jones (Trustee & Chairman)

Approved by the Trustees on: **26th July 2021**

THE STANDARD STEAM LOCOMOTIVE COMPANY LIMITED

INDEPENDENT EXAMINER'S REPORT

YEAR ENDED 30 APRIL 2021

I report to the Charity trustees on my examination of the accounts for the year ended 30 April 2021 set out on pages 8 to 9.

RESPONSIBILITIES AND BASIS OF THE REPORT

As the Charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act"). Having satisfied myself that the accounts do not require an audit under the 2006 Act and are eligible for independent examination, I report in respect of my examination of your Charity's accounts as carried out under Section 145 of the Charities Act 2011 ("the 2011 Act") and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under Section 145(5) (b) of the 2011 Act.

INDEPENDENT EXAMINER'S STATEMENT

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- (1) accounting records were not kept in respect of the Society as required by section 130 of the Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the applicable requirements concerning the form and content of the accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a "true and fair view" which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:

Eileen Osborn-King

Date:

08-07-2021

Name of Examiner:

Mrs Eileen Osborn-King

THE STANDARD STEAM LOCOMOTIVE COMPANY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT & BALANCE SHEET)

YEAR ENDED 30 APRIL 2021

	Total (Unrestricted) Funds		Total (Unrestricted) Funds
	2020/21 £	Notes	2019/2020 £
INCOME			
Subscriptions	6605	5	3190
Donations	59172		61577
Gift Aid	14950	6	22433
Easy Fundraising	61		184
Bank Interest	38		80
Sales Income	1341	7	8888
Other Income	28		0
	82195		96352
EXPENDITURE			
Parts - Orders	92919		89768
Parts - Transport	0		690
Parts - Legal & Prof Costs	1284		557
Charity expenses (meetings, travel etc)	83	8	363
Insurance	2713		2724
Sales - Stock purchases	317		1955
VAT (non-recoverable)	33	1	124
Interest/Bank Charges	6		123
Advertising/Raising funds	281		191
Members – Postage	475		524
Members - Printing	954		2116
	99065		99135
Surplus (Deficit) - Total	-16870		-2783
Balances brought forward	301104		278887
Plus adjustment:			
Value of parts increased	0	4	25000
Balances carried forward	284234		301104

The notes on pages 10 & 11 form part of these financial statements

THE STANDARD STEAM LOCOMOTIVE COMPANY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT & BALANCE SHEET)

YEAR ENDED 30 APRIL 2021

	2021		2020
	£	Notes	£
FIXED ASSETS			
Locomotive Parts & Equipment	125000	4	125000
	125000		125000
CURRENT ASSETS			
Cash at bank	156361		167625
Debtors	2873	9	8479
	159234		176104
	284234		301104
CURRENT LIABILITIES			
Creditors (falling due within one year)	0		0
NET CURRENT ASSETS	284234		301104
TOTAL FUNDS	284234		301104

The Charity has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the Charity are classed as continuing.

These Financial Statements were approved by the Trustees on the 26th July 2021 and are signed on their behalf by:

Mr Allan Jones
Trustee & Chairman



The notes on pages 10 & 11 form part of these financial statements

THE STANDARD STEAM LOCOMOTIVE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2021

1.ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

(a) Basis of accounting

The financial statements have been prepared in accordance with the guidance issued by the Charity Commission (CC) for Charitable Companies with charitable income of between £25000 and £250000 per annum. Therefore, whilst they follow as far as possible the Statement of Recommended Practice "Accounting and Reporting by Charities", the trustees ensure that the accounts remain both clear and concise for members through the use of natural categories for income and expenditure.

(b) Fund of accounting

All funds are classed as unrestricted and available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

(c) Incoming resources

Voluntary income is received by way of subscriptions, donations and gifts and is included in full in the Statement of Financial Activities. Donated services and facilities are included at the value to the Charity where this can be quantified. Items donated for resale by the Charity are included as incoming resources within activities for generating funds when they are sold. Any investment income is included when receivable.

(d) Expenditure

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

(e) VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

2. TRUSTEE REMUNERATION

No members of the Council of Management received any remuneration during the year. General Administrative Expenses (including travel costs) amounting to £83 were reimbursed to CofM members.

3. TAXATION

As a Charity, The Standard Steam Locomotive Co. Ltd. is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

4. PARTS RE-VALUATION

The trustees have considered the current value of the various parts held, together with progress made over the past year, and judge that the current figure remains appropriate, and that no further re-valuation is required at this time.

THE STANDARD STEAM LOCOMOTIVE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2021

5. SUBSCRIPTION INCOME

Subscription income now includes Company Memberships (£2205 in 2020/21).

6. GIFT AID

Gift Aid (GA) is now being reclaimed on a quarterly basis. The 2019/20 amount includes part GA from a previous year, hence the higher total.

7. SALES INCOME

Due to COVID 19 no sales galas took place within the 2020/21 accounting period.

8. EXPENSES OF MANAGING THE CHARITY

Due to COVID 19 all Council meetings were held virtually in 2020/21, hence the reduction in expenses.

9. DEBTORS

£2873 is represented by the Q4 VAT re-claim, still to be received from HMRC.