

The Gresley Society Trust

Company Information

For the Year Ended 31 March 2022

Directors and Trustees

P M Benham	Chairman
G E Bunker-James	Vice-Chairman
C S E Clark	Company Secretary
S R L Hogg	Treasurer
M A C Foreman	Book-Keeper
J C H Nettleton	Membership Secretary and Gresley Observer Editor
I S MacCabe	Meetings Secretary and Public Relations Officer
D R McIntosh	Locomotive Manager
P R D Beynon	Sales Manager
R Vale	Trustee and Website Officer
P Bush	Trustee

Registered Office

c/o Ledgers Accountancy Solutions Ltd
40 The Village
Old Warden
Biggleswade
Bedfordshire
SG18 9HQ

Examining Accountant

J Highland, Ledgers Chartered Certified Accountants
40 The Village
Old Warden
Biggleswade
Bedfordshire
SG18 9HQ

Bankers

HSBC UK Bank plc
The Helicon
1 South Place
London EC2M 2UP

Barclays Bank plc
128 Moorgate
London
EC2M 6SX

Charity registration number 1081581

Company registration number 3852084

Trading subsidiary:

Name Gresley Society Trading Ltd
7976406
Company registration number
Registered office 40 The Village, Old Warden, Beds. SG18 9HQ

The Gresley Society Trust

Directors' Report

For the Year Ended 31 March 2022

The Directors present their annual report and Accounts for the year ended 31st March 2022.

Company information is shown on the previous page

Charitable Objects and Aims

The charity's purpose, as set out in the Memorandum of Association, is the advancement of education of the public, in particular by promotion of interest in the life and works of Sir Nigel Gresley in the field of science and engineering. The trustees understand and have complied with their duty to have due regard to the Charity Commission's guidance on public benefit.

Structure, Governance and Management

Constitution

The Gresley Society was established in 1963, being renamed the Gresley Society Trust and becoming a company limited by guarantee on 1st October 1999. Charitable status was attained on 17th July 2000, and a wholly owned trading subsidiary was established on 5th March 2012. The subsidiary is responsible for hiring the N2 locomotive owned by the Trust. The Trust is subject to regulations contained in its Memorandum and Articles of Association, and in the event of the company being wound up members are required to contribute an amount not exceeding £1.

Organisational Structure

The charity is organised into a Council, which currently consists of the following officers: Chairman, Vice-Chairman, Secretary, Treasurer, Bookkeeper, Membership Secretary, Meetings Secretary, Locomotive Manager, Sales Manager, Website Manager and Council members. All serve on a voluntary basis.

Decisions are made at Council meetings which are usually held three or four times a year, and also at the Annual General Meeting in accordance with the Memorandum and Articles of Association.

The Trustee Directors are elected by the members of the Society and are elected for three-year terms. One third (or nearest to one third) of the total number of trustees retire by rotation at each annual general meeting but are eligible for re-election.

Risk Management

The Council believes that the Trust's holdings are as secure as reasonably possible.

Regarding use of funds, this area of work has risks of huge overspend and delay, so it is our policy to evaluate options and to secure the best advice in that field before committing funds.

The N2 locomotive and the Lounge Buffet Car are protected in the ownership of the Trust, and an improved distinction between the owner (the Trust) and the operator (Gresley Society Trading Ltd) exists. In particular the financial arrangements incorporated in a Bailment Agreement between the companies.

Main Activities and Achievements of the Year

Overview

The lockdown imposed by government to control the spread of Covid-19 continued to exert a negative influence for the first few months of the year. The Spring and Summer members' meeting were held remotely using 'Zoom' technology. However, the gradual easing of lockdown measures enabled physical meetings to be resumed starting with the Annual General Meeting held at Grantham November 2021. It is intended that, subject to technology and venue, future meetings will be hybrid in nature meaning that members should be able to attend either in person or on-line. Covid also limited the number of external events attended by the Society to just one (the North Yorkshire Moors Railway Steam Gala)

The Gresley Observer has remained, not just a means of maintaining contact with members, but also one of the most valued aspects of the Society's activities. Under the editorship of Chris Nettleton (for whom it is a labour of love), the journal continues to enjoy an exceptional reputation because of the range and depth of its content on all matters to do with Sir Nigel Gresley and the LNER more widely.

Greater use of the Society's website, relaunched back in the autumn of 2019, has continued to develop, albeit more slowly than anticipated. So, for the second year running, I am taking the opportunity to highlight the value of this facility to members and more generally to the wider public. It enables us to communicate important information quickly and can be used for a variety of purposes, including membership renewal, new membership and other financial transactions.

The N2 Locomotive

It is, once again, disappointing to report that the ongoing heavy overhaul of the Society's locomotive, N2 No 1744 has of necessity dominated the attention of the trustees. A combination of further unexpected problems with the boiler, and also the motion, has had a further detrimental effect on both the cost and completion timescales. Additional work has included major replacements on the firebox wrappers and blackhead, new expansion links and safety valves. As briefly reported last year, a funding appeal was launched in the Spring of 2021 to support the overhaul work raising some £20,000 mainly from members to whom the trustees are extremely grateful. This, together with a significant refund of VAT, has enabled progress on the locomotive to continue. Covid also continued to exert a malign influence, as, more recently, did the war in Ukraine which created supply problems. At the time of writing this report, the locomotive is expected to see completion and a return to steam in the spring of 2023, at which time it will return to its home base on the North Norfolk Railway.

Future Plans

The 1938 Buffet Lounge Car

Although agreement was reached to terminate the Society's agreement with the Stainmore Railway Company, regrettably a number of options for its re-location all failed to materialise. The Gresley Society is extremely grateful to SRC for allowing the vehicle to remain at Kirby Stephen until a new home can be found. Efforts continue to establish a viable scheme that will enable the coach to be restored. While the preferred solution is one that will see the coach returned to its original 1938 condition, the Society will consider all options to deliver a secure and eventually operational future.

Society Archives:

Work on sorting and re-cataloguing remains on hold until suitable premises can be found that will enable archive material to be properly stored, but with controlled access to members and researchers. The Society is working with a third party in connection with an anticipated location in the North East that should become available within the next two years. Meanwhile material is stored at officers' homes, with some in deep storage courtesy of Doncaster Borough Council.

Future Programme & Initiatives:

The trustees are acutely conscious that a combination of the essential focus on the N2 overhaul and Covid have overtaken work to develop future strategies and plans for the Society. With the hope that both these factors will be less significant in the year ahead, there is a determination to redress this important area of our work.

People

It is sad to report that 16 members passed away during the year, a number of whom had been active in the Society from our earliest days. By contrast we were pleased to welcome 47 new members into the Society.

I would once again like to thank my fellow directors for their hard work and support during another very challenging year

Principal Funding Sources

The Covid restrictions have meant that membership subscriptions, donations and Xmas Card sales, have been virtually the only source of income during the year. As already noted, subsequent to the reporting year, an appeal has been launched to support completion of the N2 overhaul.

Investment Policy

Financial holdings are held with HSBC Bank UK, Barclays Bank, Cambridge and Counties Bank and the Nationwide Building Society. These are seen to yield an adequate return with the required security.

Reserves Policy

Reserves will continue to be built up against the future need to carry out repair work on the N2 locomotive and the future restoration of the Buffet Lounge Car.

Directors' Responsibilities

The directors are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its surplus or deficit, and recognised gains or losses for that period. The directors confirm that appropriate accounting policies have been used and applied consistently, and that prudent judgement and estimates have been made in the preparation of the financial statements for the year ended 31 March 2022.

The directors also confirm their responsibility to prepare statements on a going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company, and to enable them to ensure that the assets of the company are safeguarded and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

Approved by the board of Trustees on 11 October 2022 and signed on its behalf by

Philip Benham FCIT
Chairman

Notes forming part of the Financial Statements

For the Year Ended 31 March 2022

1 Accounting policies

The principal accounting policies are set out below, and these have been applied consistently throughout the year and in the preceding year.

Basis of preparation

The accounts have been prepared in accordance with the historical cost convention, FRS102 Section 1A smaller entities 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP (FRS102) 'Statement of Recommended Practice', and the Companies Act 2006. The Trust is a public benefit entity as defined by FRS102.

Fixed Assets

All fixed assets are recorded at cost, this includes heritage assets.

Depreciation

Depreciation has not been provided on the cost of tangible fixed assets as the directors are of the view that the market value is considerably in excess of the cost. In respect of the N2 locomotive depreciation of the overhaul costs will commence once the overhaul is complete, which is not expected until 2023.

Fixed Asset Investments

Shares held in unlisted UK companies are shown at cost, as it would be impractical and unreliable to show these at market value.

Stock

Stock is stated at the lower of cost and net realisable value, after making allowance for slow moving or obsolete items.

Consolidation

The company and its subsidiary comprise a small group. The company has taken advantage of the exemption provided by s399 of the Companies Act 2006 not to prepare group Accounts.

Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity. Restricted funds are subject to restrictions on their expenditure imposed by the donor.

Income

All income is included in the statement of financial activities when the Trust is entitled to receive the income (or when its receipt is probable) and when the income can be quantified with reasonable accuracy. This includes legacy income.

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be recovered.

2 Income

Membership Subscriptions Annual subscription for 2021/2022 year was £30 all to go to the General fund. Any excess of this was in the first instance (i.e. £5.00 put to the Buffet Car and any excess to funds as requested.)

Other donations Non-specific donations are applied across the Preservation fund, the N2 fund and the Lounge Buffet Car fund on a ratio of 1:2:2.

Gift Aid receipts
Photocards sales
Christmas Cards
Miscellaneous sales
Investment income
Hire of locomotive

Gift Aid recovery claim for 2021/2022
Net income after postal expenses.
Five views were available for purchase.
General fund: book sales; reproduction fees; merchandising.
Gross bank deposit interest
Locomotive hire is now carried out through the trading company.

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Expenditure

The Gresley Observer

Including printing and postage cost of: GO 183, GO 184, GO 185 and the postage costs for GO 186.

Donations made

Donations approved by the Trustees to projects with similar aims and made in accordance with the aims of the Trust.

Locomotive Preservation / Maintenance

All costs incurred in respect of the N2 Locomotive related to the on-going overhaul and hence have been capitalised in the year. £46,638 related to mechanical work, £58,188 to boiler work and £981 to British Engine Surveys. A total of £105,807, less VAT recovered and not previously accounted in earlier years gives a net figure of £60,637

These payments have been included within Fixed Assets on the Balance Sheet, as with the ongoing cost of the overhaul they will prepare the engine for many more years' service and they will also enhance the engine's overall value

Accountancy

This includes £900 in respect of the annual Independent Examination. Together with associated printing and distribution costs to members of the 2020/21 Annual Report.

Subscriptions

Annual subscription to the Heritage Railways Association.

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Trustees' Remuneration and Expenses

The Trustees received no remuneration for the year (2021 nil).

During the year, the Trust reimbursed administrative expenses incurred by 4 Trustees in the course of providing services to the Trust amounting to £5,798 (2021 £4,756). In a majority of cases, these expenses reimbursed Trust costs initially paid by a Trustee as part of their duties, including (by way of example) postage costs for the Gresley Observer initially paid by the editor.

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Employees

Average number of persons employed by the company

Taxation

As a charity, The Gresley Society Trust is exempt from Corporation Tax on eligible income and gains to the extent that these are applied to its charitable objects. No tax charge has arisen during 2021 or 2022.

Following professional advice, the Trust has recently registered for VAT.

7 Tangible Fixed Assets

	N2 Tank Engine & RB Coach	Dyna-meter Rolls	Photos not for resale	Total
Costs				
At 1 April 2021	493,138	10	17	493,165
Additions	60,637			60,637
Depreciation				
At 1 April 2021 and 31 March 2022	-	-	-	-
Net book value				
At 31 March 2022	553,775	10	17	553,802
At 1 April 2021	493,138	10	17	493,165

The N2 tank engine and RB coach are heritage assets as defined by the Charities SORP (FRS102). Further details are provided in the Trustees' Report. Summary of heritage assets transactions for previous five years.

	2022	2021	2020	2019	2018
Purchases - N2 engine	60,637	179,823	114,919	64,163	132,882
					(as restated)

The Trust's principle heritage assets recognised in these accounts are the Class N2 locomotive and Restaurant Buffet coach. These items exemplify the work of Sir Nigel Gresley as a designer of railway locomotives and carriages and date from differing but representative periods of his work. It is the Trust's policy to safeguard, maintain and operate these assets and thereby allow public access to see them and participate in their interpretation by usage.

8 Investments

	2022	2021
Shares in unlisted UK companies shown at cost		
Shares in the Keighley and Worth Valley Railway	50	50
Shares in subsidiary company: Gresley Society Trading Ltd	10	10
	60	60

The Trust is the sole member of its subsidiary company, Gresley Society Trading Ltd (company registration number 07976406) which was incorporated on 5 March 2022. The Trust owns all 10 ordinary shares of £1. The main activity of the subsidiary company is the operation of the GNR N2 locomotive 1744 (and in due course the 1938 Gresley Lounge Car).

The subsidiary's income and expenditure for the year ended 31 March 2022 were £nil and £563 respectively. As at 31 March 2022 its assets and liabilities totalled £60 and £1,561 respectively, and shareholders' funds were £(1,501). The liability includes a £1,256 loan from the Trust to fund running costs.

9 Debtors

	2022	2021
Loan to Subsidiary	1,256	100
Accrued Income	1,228	700
VAT Repayment	764	36,277
	3,248	37,653

10 Cash at Bank

	2022	2021
HSBC Community Account		
HSBC Deposit Account	20,852	11,641
Barclays Current Account	130,048	48,368
Scottish Widows Bank	4,887	275
Cambridge and Counties bank	50,400	100,000
Nationwide Building Society	-	37,171
PayPal balance	368	0
	211,555	197,455

11 Creditors

	2022	2021
Deferred income	2,310	3,830
Accrued expenses	10,330	983
	12,640	4,813

12 Analysis of Net Assets Between Funds

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Tangible fixed assets	-	545,744	545,744
Investments	-	60	60
Current assets	57,240	158,036	215,276
Current Liabilities	(4,581)		(4,581)
	52,659	703,840	756,499

13 Movement of Funds

	At 1 April 2021	Income	Expenditure	Transfers	At 31 March 2022
	£	£	£	£	£
Restricted funds					
Gresley N2 fund	496,198	25,933	-	86,000	608,131
Gresley Lounge Buffet Car					
Restoration fund	124,932	1,872	-	(50,000)	76,804
Preservation fund	18,606	299	-	-	18,905
	639,736	28,104	-	36,000	703,840
Unrestricted funds					
General fund	83,561	23,050	(18,744)	(36,000)	51,867
Gresley memorials fund	792	-	(18,744)	(36,000)	792
	84,353	23,050	(18,744)	(36,000)	52,569
Total funds	724,089	51,154	(18,744)	-	756,499
Purposes of restricted funds					

Gresley N2 fund: to facilitate the overhaul of the engine starting in 2019, after the boiler certificate expired in January 2019. Expenditure on the overhaul is not deducted from the fund as incurred but depreciation will be deducted, along with maintenance costs, once the overhaul is complete and the locomotive running.

Gresley Lounge Buffet Car Restoration fund: to facilitate restoration of the coach to 1938 condition.

Preservation fund: to facilitate the purchase / support / preservation of artefacts relevant to Sir Nigel Gresley.

Purposes of unrestricted funds

General fund (including un-applied legacy bequests): to enable the Society to function as an entity, producing the Gresley Observer and website www.gresley.org. Also, to make grants or loans to like-minded charities, pertinent to the works and ideals of Sir Nigel Gresley.

Gresley memorials fund: to maintain existing memorials and plaques and to create new ones as appropriate.

Transfer between Designated Funds

The Trustees have agreed during the year to transfer £50,000 from the Fund designated for the Gresley Buffet Car to the Designated Fund, along with £36,000 from the General Unrestricted Fund, for the N2 in order to cover additional work required.

The Trustees intend to reverse this transfer at some future point as and when the balance on the N2 Fund permits.

14 Share Capital

The company does not have any share capital, as it is limited by Guarantee.

15 Capital Commitments

The company is committed to overhaul the N2 locomotive and return it to operating condition. Work was on-going at the year-end, but additional work has been identified and the total value of work required to complete the task has yet to be reliably assessed. The Trust has contracted for work on the locomotive which was part complete at the year-end.

16 Related Party Transactions

Gresley Society Trading Ltd

Gresley Society Trading Ltd is a 100% owned trading subsidiary of the Trust. The Trust has a ballment agreement with Gresley Society Trading Ltd for the period 1st April 2015 to 31 May 2019. This gives the company possession of the N2 locomotive, whilst the Trust still retains ownership. During the previous year the Trust received no Gift Aid donations from the trading company (2021 £Nil). As the locomotive remains under overhaul, no such payment will be paid by 31 December 2022 in respect of the 2021/22 year accounts. At 31 March 2022 an amount of £1,255 was owed to the Trust by the trading company (2021 £675).

17 Other Information

The GRESLEY SOCIETY TRUST is a private company limited by guarantee and incorporated in England, its registered office is: 40 The Village, Old Warden, Beds, SG18 8HQ.

The company does not have a principal place of business.

The Gresley Society Trust

Independent Examiner's Statement to the Trustees of the Gresley Society Trust

I report to the Trustees on my examination of the financial statements of the company for the year ended 31 March 2022, which are set out on pages 12 to 18.

Responsibilities and the basis of this report

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 ("the 2011 Act") and that an independent examination is needed.

I report in respect of my examination of the Trust's accounts carried out under section 145 of 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 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 which gives me cause to believe that in any material respect:

- > the accounting records were not kept in accordance with section 130 of the Charities Act; or
- > the accounts did not accord with the accounting records; or
- > the accounts did not comply with the applicable requirements concerning the form and content of 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.

J Highland
Chartered Certified Accountant
Ledgers Accountants.

40 The Village, Old Warden, Biggleswade, Bedfordshire, SG18 9HQ

October 2022