

Charity registration number 1088545

Company registration number 01454069 (England and Wales)

AVON VALLEY RAILWAY HERITAGE TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

AVON VALLEY RAILWAY HERITAGE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr RP Eynon	
	Mr KH Goodway	
	Mr Patrick Horton	(Appointed 17 September 2021)
	Mr Alan Matthews	(Appointed 17 September 2021)
	Mr William Thornton	(Appointed 17 September 2021)
	Mr Martyn Wheller	
Charity number	1088545	
Company number	01454069	
Registered office	Bitton Railway Station Bath Road Bitton Bristol BS30 6HD	
Independent examiner	Mr O Evans Evans & Partners 9 Bank Road Kingswood Bristol BS15 8LS	

AVON VALLEY RAILWAY HERITAGE TRUST

CONTENTS

	Page
Trustees' report	1 - 4
Independent examiner's report	6
Statement of financial activities	7
Balance sheet	8 - 9
Notes to the financial statements	10 - 23

AVON VALLEY RAILWAY HERITAGE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 JANUARY 2022

The Trustees present their annual report and financial statements for the year ended 31 January 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

To restore, preserve, exhibit and operate railway locomotives, carriages, wagons, vehicles and other artefacts of historical interest and the structures connected therewith for the benefit and education of the public and to conserve books, drawings, records, documents, sound and visual recordings, cinematography films and photographs and other archives relating to such artefacts and vehicles, their history and their development.

In reviewing our aims, we are satisfied that we have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Committee.

The Trustees are able to report that despite the general economic situation the Trust has continued to develop during the year and continues to meet its stated objectives and liabilities. The Trust's current principal aims are;

- To operate to the very highest of safety standards in complete accordance with Health and Safety legislation, regulatory body rules and guidance and best railway industry practices.
- To re-establish income streams that were in place prior to the Covid pandemic.
- To preserve and enhance the appreciation of the heritage of the Railway for current and future generations to enjoy. To continually improve and develop the core heritage railway and its structures and to continually add to our customer experiences to attract an increasing number of visitors.
- To increase engagement with local schools and other educational and special needs establishments to provide an attractive visit destination for educational and remedial purposes and, in doing so, improve community learning and well-being appeal to a future generation of supporters, visitors, volunteers and potential employees.
- To increase engagement with the local communities, local and county councils and other stakeholders and thus raise our profile, encourage more awareness of our offering and generate additional support.
- To widen the visitor demographic and to build upon our progress in becoming more attractive to family groups – the AVRHT has an ageing railway enthusiast visitor profile and needs to be appealing more to a younger generation to protect long term visitor numbers.
- To develop and expand our volunteer engagement, including a concentration on younger volunteers.
- To strive for commercial excellence and to run the business as a profitable venture to protect the heritage and to provide reinvestment in infrastructure.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

Achievements and performance

Review of the business

Since the last period of lockdown, we have continued to run all our operations under the official guidelines, which results in reduced passenger accommodation and thus reduced income streams. In 2022, we are looking at easing back to normal running, which should attract more visitors and increased income. We ran a reduced Christmas Santa programme throughout December, which came very close to being sold-out and provided much-needed income.

Unfortunately, we suffered a serious break in and theft, much of which were original locomotive fittings. As a result, we have undertaken a security review and will be upgrading our CCTV system and looking to install security fencing around the Goods yard.

AVON VALLEY RAILWAY HERITAGE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

Ongoing funding

The impact of the pandemic and recession has naturally resulted in several routes to funding being temporary closed off as non-Covid/deprivation related projects are not being considered currently by a large number of trusts and grant-making bodies.

It is fair to say that the Trust is not considering any new projects at present which do not have a pre-existed funding agreement (projects currently being planned such as the rebuilding of locomotives etc. all have clear restricted funds) or where the additional funding required would be provided by achievable grant funding or individual appeals.

Lease

Following the 65-year lease being agreed with South Gloucestershire Council for the Bitton site and line within South Gloucestershire, the trust is in discussion with BANES Council to agree a lease for the line and associated land in their ownership for an equivalent term.

Locomotives

Following the relaxing of Lockdown we are looking forward to progressing works on all our locomotives - Avonside 0-6-0 Steam Loco No 1798 - Robert Stephenson Hawthorn 0-6-0 steam locomotive No 7151- The Littleton 0-6-0 Number 5. All of which had necessary boiler inspections undertaken. The Fry's Sentinel continues to be a significant attraction when it operates, with talks being given by members on the history surrounding being well received.

Carriage & Wagon

Again we are looking to progress works on First Open 3089, Buffet Car 1971, and the BR Goods Brake Van, as well as undertaking remedial action on a number of other items of rolling stock.

Somerset & Dorset Trust

During the year the Trust continue to meet with the S&D Trust over moving some of their vehicles and artifacts to the AVR. The S&D had concerns over the move due to the break-in at Bitton. The Trust looked at their concerns and a package of measures was looked at as stated earlier. The move by the S&D Trust will take place in 2022.

Museum Project

The Trust continues collating and recording AVR historical documents both visual and audio. These documents will now be stored on 'Modes' software, which is used by museums to catalogue all their artefacts and records. This will enable our members and the general public to access the documents online for recreational interest and research purposes, thus fulfilling one of our key objectives in our constitution. The Trust also enrolled two members on a digitalisation course to help the Trust and the Museum group record both video/audio memories and historical documents.

Financial review

Incoming resources for the Charity were £175,491 in 2021/22 compared to £80,190 in 2020/21. Expenditure was £171,953 in 2021/22 compared to £92,222 in 2020/21. The subsidiary turnover was £638,771 with cost of sales being £328,773 and administrative expenses £354,100. No gift aid payment was paid to the Trust for 2021/2022 nor in the prior year.

AVON VALLEY RAILWAY HERITAGE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

Reserves policy

Reserves are the resources the Charity has or can make available to spend, for any or all of the Charity's purposes, once it has met its commitments and covered its planned expenditure.

The Trustees consider that unrestricted funds need to be increased:-

- To provide funds which can be designated to specific projects to enable those projects
- To be undertaken at short notice.
- To cover 6 months operating costs
- To protect it from insolvency
- To prevent serious disruption to its charitable work
- To meet any shortfall between the anticipated income of the Charity and its budgeted outgoings and its unforeseen expenditure
- To replace assets as necessary.
- To provide third party funding towards the grant funding of major projects

The reserves required at current operating levels would amount to between £50,000 and £70,000. Free reserves at the balance sheet date were -£11,991 (2021 -£25,825).

The Trustees will continue to endeavour to restore reserves to the desired level in stages consistent with the Charity's overall financial position and its need to maintain and develop its charitable activities. The level of reserves is monitored and reviewed by the Trustees and reported as part of the Annual Report.

Investment powers & policy

Under the Memorandum and Articles of Association the Charity has the power to make any investment that Trustees see fit.

Risk management

Internal risks are minimised by the implementation of effective internal control procedures, which ensure both appropriate authorisation of all transactions and projects, and consistent quality of delivery for all aspects of the Charity. These procedures are periodically reviewed for their continuing effectiveness. The Charity uses the operations of the AVR as the avenue for achieving its goals of exhibiting and operating its railway related assets. The Trust Board feels that the level of involvement and general cooperation between the two organisations has justified its investment and reduced the risk of commercial failure. The Safety Management System was recently reviewed by the AVRCo and updated to ensure it still instills best practice. The Board is responsible for safeguarding the Charity's assets and so ensures that relevant levels of insurance cover are provided where appropriate. The Charity jointly ensures its risks with the AVRCo to ensure that there are no gaps or duplication in cover across the two organisations. The cover held by the Charity is reviewed annually and approved by the Board.

Plans for future periods

Discussion on further extension of the railway will continue along with the development of Bitton Station yard. The Trust is considering various "Green" issues and studies are being undertaken for presentation to the Trustees. There will be no expenditure for new toilets in the foreseeable future. The Trustees wish to record their thanks to all members for their valued support and, with careful management of resources, are anticipating further improvement in the year ahead.

Structure, governance and management

Governing document & constitution

Avon Valley Railway Heritage Trust – 'The Charity' - (formerly Bitton Railway Company Limited) is a registered charity and a company limited by guarantee and is governed by its Memorandum and Articles of Association, the Companies Act 2006 and the Charities Act 2011. Its company registration number is 01454069 and its charity number is 1088545. It was first incorporated on 15 October 1979 and was registered as a Charity on 24 September 2001. Each paid up member of the Charity is a member of the Company and has a right to attend and vote at company general meetings. In the event of the company being wound up each member undertakes to contribute an amount not exceeding £6.

AVON VALLEY RAILWAY HERITAGE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr RP Eynon

Mr KH Goodway

Mr Patrick Horton

(Appointed 17 September 2021)

Mr Alan Matthews

(Appointed 17 September 2021)

Mr William Thornton

(Appointed 17 September 2021)

Mr Martyn Wheller

Appointment of new trustees

New Trustees can be nominated for election by Trust members at the Trust's Annual General Meeting. All nominees will receive in advance details of Trust responsibilities and duties in the form of booklets etc. as produced by the Charities Commission and training/advice programmes from the Trust's charity advisors Evans & Partners Ltd.

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Organisational structure & decision making

The Charity is managed by an elected board of Trustees and supported by volunteer Officers for achieving its day-to-day activity. The Charitable Trust has a wholly owned subsidiary company, 'The Avon Valley Railway Company Limited' (AVRCo), which is delegated the responsibility for running the day-to-day railway operations and related activities under the name 'Avon Valley Railway'. The directors of AVRCo are responsible for the day-to-day management and operation of AVR, appointing staff and reporting to the Trustees.

Trustee meetings are held monthly or bi-monthly and during those meetings all decisions are minuted for future record. In between meetings, matters requiring the Board's authorisation are dealt with by email and/or telephone and then ratified and minuted at its next meeting. Joint Strategy days with the AVRCo board of directors and the senior management team are organised throughout the year to enable a joined up approach to the organisations strategy development and to deal with issues that affect both parties.

The Trustees' report was approved by the Board of Trustees.

Mr RP Eynon

Trustee

6 October 2022

AVON VALLEY RAILWAY HERITAGE TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 JANUARY 2022

The Trustees, who are also the directors of Avon Valley Railway Heritage Trust for the purpose of company law, are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AVON VALLEY RAILWAY HERITAGE TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF AVON VALLEY RAILWAY HERITAGE TRUST

I report to the Trustees on my examination of the financial statements of Avon Valley Railway Heritage Trust (the Charity) for the year ended 31 January 2022.

Responsibilities and basis of report

As the Trustees of the Charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

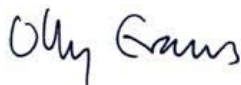
Having satisfied myself that the financial statements of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). 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 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 Charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 financial statements to be reached.



Oliver Evans FCA
Evans & Partners

9 Bank Road
Kingswood
Bristol
BS15 8LS

Dated: 4 October 2022

AVON VALLEY RAILWAY HERITAGE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income from:							
Donations and legacies	3	27,320	136,696	164,016	54,192	14,233	68,425
Charitable activities	4	7,616	-	7,616	9,141	-	9,141
Other trading activities	5	3,848	-	3,848	2,573	-	2,573
Investments	6	11	-	11	51	-	51
Total income		38,795	136,696	175,491	65,957	14,233	80,190
Expenditure on:							
Raising funds	7	2,495	-	2,495	4,791	-	4,791
Charitable activities	8	64,842	104,616	169,458	79,795	7,636	87,431
Total expenditure		67,337	104,616	171,953	84,586	7,636	92,222
Net (outgoing)/incoming resources before transfers		(28,542)	32,080	3,538	(18,628)	6,597	(12,031)
Net income/(expenditure) for the year/							
Transfers between funds		37,594	(37,594)	-	14,061	(14,061)	-
Net movement in funds		9,052	(5,514)	3,538	(4,568)	(7,464)	(12,032)
Fund balances at 1 February 2021		529,427	96,410	625,837	533,995	103,874	637,869
Fund balances at 31 January 2022		538,479	90,896	629,375	529,427	96,410	625,837

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

AVON VALLEY RAILWAY HERITAGE TRUST

BALANCE SHEET

AS AT 31 JANUARY 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	13		550,300		555,152
Investments	15		100		100
			<u>550,400</u>		<u>555,252</u>
Current assets					
Debtors	16	9,061		9,002	
Cash at bank and in hand		106,430		87,721	
		<u>115,491</u>		<u>96,723</u>	
Creditors: amounts falling due within one year	18	(17,777)		(26,138)	
Net current assets			<u>97,714</u>		<u>70,585</u>
Total assets less current liabilities			648,114		625,837
Creditors: amounts falling due after more than one year	19		(18,739)		-
Net assets			<u>629,375</u>		<u>625,837</u>
Income funds					
Restricted funds			90,896		96,410
Unrestricted funds			538,479		529,427
			<u>629,375</u>		<u>625,837</u>

AVON VALLEY RAILWAY HERITAGE TRUST

BALANCE SHEET (CONTINUED)

AS AT 31 JANUARY 2022

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 January 2022.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 4 October 2022

Mr RP Eynon
Trustee

Company registration number 01454069

AVON VALLEY RAILWAY HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2022

1 Accounting policies

Charity information

Avon Valley Railway Heritage Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Bitton Railway Station, Bath Road, Bitton, Bristol, BS30 6HD.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The Charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

There are no material uncertainties about the Charity's ability to continue as a going concern, despite the significant uncertainty being caused by the worldwide COVID-19 crisis. Whilst the Trustees expect there to be a significant impact on the Charity's operations and reserves in the coming months and years, the Charity has sufficient reserves to be able to meet these challenges. Please refer to the Trustees' Report for further details of how the Charity has been affected by the Covid pandemic.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity.

AVON VALLEY RAILWAY HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

1 Accounting policies

(Continued)

1.4 Income

All income is included in the statement of financial activities when entitlement has passed to the Charity; it is probable that the economic benefits associated with the transaction will flow to the Charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amounts can be measured reliably.
- Legacy income is recognised when receipt is probable and entitlement is established.
- Income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers. All income is included in the statement of financial activities when entitlement has passed to the Charity; it is probable that the economic benefits associated with the transaction will flow to the Charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:
- Income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs, which contribute to more than one activity and support costs, which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Tracks & structures	25 years straight line
Plant & machinery	10 years straight line
Fixtures & fittings	10 years straight line
Locos & rolling stock	25 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

AVON VALLEY RAILWAY HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

1 Accounting policies

(Continued)

1.7 Heritage assets

Where heritage assets have been acquired and there are records available, these are recognised at cost together with direct restoration costs. Where no such records are available, the heritage assets are not recognised on the balance sheet on the grounds that the cost of obtaining this information would outweigh the benefit in doing so.

The heritage assets acquired are considered to have indefinite lives by the Trustees and are therefore not depreciated. Annually at the reporting date, the heritage assets are reviewed by the Trustees for indications of impairment.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the Charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

AVON VALLEY RAILWAY HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

The Charity is exempt from corporation tax on its charitable activities

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Donations and gifts	27,320	21,384	48,704	49,083	7,262	56,345
Government grants	-	97,131	97,131	-	-	-
Coronavirus Job Retention Scheme	-	-	-	5,109	-	5,109
Other	-	18,181	18,181	-	6,971	6,971
	<u>27,320</u>	<u>136,696</u>	<u>164,016</u>	<u>54,192</u>	<u>14,233</u>	<u>68,425</u>

Government grants are made up of £94,431 from the National Lottery as part of the Culture Recovery Fund, and £2,700 from South Gloucestershire Council for the Trust to make the railway shop COVID compliant. Both grants were fully spent within the same financial year, and no unfulfilled conditions or other contingencies were attached to these grants. The Trust did not directly benefit from any other form of government assistance during the year.

AVON VALLEY RAILWAY HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

4 Charitable activities

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Membership subscriptions	7,349	8,984
Events	267	157
	<u>7,616</u>	<u>9,141</u>

5 Other trading activities

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Motive power fund	2,200	-
Sale of goods	365	868
Raffles	1,283	1,705
	<u>3,848</u>	<u>2,573</u>
Other trading activities	<u>3,848</u>	<u>2,573</u>

6 Investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Interest receivable	11	51
	<u>11</u>	<u>51</u>

7 Raising funds

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Managing member subscriptions	2,495	2,291
Fundraising costs	-	2,500
	<u>2,495</u>	<u>4,791</u>

AVON VALLEY RAILWAY HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

7 Raising funds (Continued)

8 Charitable activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total 2022 2022 £	Total 2021 £
Heritage Railway Operation	78,768	2,369	81,137	82,571
Governance costs	-	6,541	6,541	4,860
	<u>78,768</u>	<u>8,910</u>	<u>87,678</u>	<u>87,431</u>
Grant funding of activities (see note 9)	81,780	-	81,780	-
	<u>160,548</u>	<u>8,910</u>	<u>169,458</u>	<u>87,431</u>
Analysis by fund				
Unrestricted funds	55,932	8,910	64,842	79,795
Restricted funds	104,616	-	104,616	7,636
	<u>160,548</u>	<u>8,910</u>	<u>169,458</u>	<u>87,431</u>

9 Grants payable

	2022 £	2021 £
Grants to institutions:		
Avon Valley Railway Company Ltd	<u>81,780</u>	<u>-</u>

10 Independent examiner's remuneration

Fees payable to the Charity's independent examiner and associates:	2022 £	2021 £
Independent examination of the Charity's annual accounts	<u>1,750</u>	<u>1,790</u>
Non-independent examination services		
Preparation of the Charity's annual accounts	<u>2,000</u>	<u>1,370</u>

11 Trustees' expenses

No Trustees have been reimbursed for expenses incurred either during the current or prior year.

AVON VALLEY RAILWAY HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

11 Trustees' expenses

(Continued)

No remuneration or other benefits from employments with the Charity or a related entity were received by the Trustees.

12 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	1	1
Employment costs	2022 £	2021 £
Wages and salaries	3,606	7,568

There were no employees whose annual remuneration was more than £60,000.

13 Tangible fixed assets

	Tracks & structures £	Plant & machinery £	Fixtures & fittings £	Locos & rolling stock £	Total £
Cost					
At 1 February 2021	613,587	17,263	43,954	328,816	1,003,620
Additions	14,208	-	9,633	4,936	28,777
At 31 January 2022	627,795	17,263	53,587	333,752	1,032,396
Depreciation and impairment					
At 1 February 2021	288,851	10,116	17,322	132,179	448,468
Depreciation charged in the year	23,066	966	4,414	5,182	33,628
At 31 January 2022	311,917	11,082	21,736	137,361	482,096
Carrying amount					
At 31 January 2022	315,878	6,181	31,850	196,391	550,300
At 31 January 2021	324,736	7,147	26,632	196,637	555,152

14 Heritage assets

The Charity has also received by way of a donation, a unique steam locomotive 'Littleton No. 5', one of only two large 18inch cylindered Manning Wardle 0-6-0ST, constructed in 1922. This is held by the Charity, but has not been included in the accounts as the Trustees do not consider it practicable to obtain an accurate valuation for the locomotive as any valuation obtained would be too subjective.

AVON VALLEY RAILWAY HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

15 Fixed asset investments

		Share in group undertaking £	
Cost or valuation			
At 1 February 2021 & 31 January 2022			100
Carrying amount			
At 31 January 2022			100
At 31 January 2021			100
Other investments comprise:	Notes	2022 £	2021 £
Investments in subsidiaries	23	100	100

16 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	654	-
Amounts owed by subsidiary undertakings	4,640	4,242
Other debtors	2,831	3,377
Prepayments and accrued income	936	1,383
	9,061	9,002

17 Loans and overdrafts

	2022 £	2021 £
Bank loans	22,250	-
Payable within one year	3,511	-
Payable after one year	18,739	-

AVON VALLEY RAILWAY HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

18 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	17	3,511	-
Trade creditors		6,716	14,178
Members loans		3,600	8,600
Accruals and deferred income		3,950	3,360
		<u>17,777</u>	<u>26,138</u>

19 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans	17	18,739	-
		<u>18,739</u>	<u>-</u>

20 Retirement benefit schemes

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The total employment benefits received by key management personnel including employer national insurance and employer pension were £NIL (2021: £NIL).

AVON VALLEY RAILWAY HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

21 Movement in funds

For the year ended 31 January 2022

	At 1 Feb 2021 £	Income £	Expenditure £	Transfers £	At 31 Jan 2022 £
Restricted funds					
Edwin Hulse Fund	28,663	739	-	(294)	29,108
Track	9,224	-	-	-	9,224
Fry's Sentinel Loco	13,554	-	(256)	-	13,298
RBR 1971	4,428	-	-	(3,444)	984
Loco & Rolling Stock	1,389	-	-	-	1,389
Goods Shed Lighting	675	-	-	(675)	-
RSH	6,222	261	(841)	-	5,641
Railway Development Fund	9,205	3,101	(5,450)	(3,431)	3,425
HRA Pass	85	385	(400)	(70)	-
Chocolate Train	943	-	-	(587)	356
Littleton	13,251	394	(841)	-	12,803
LMS Brake Van	8,508	-	(1,250)	-	7,258
Signalling	263	4,297	-	(3,250)	1,310
Short Term Restrictions	-	7,613	-	(7,037)	576
Avon Riverside Platform	-	15,080	(6,080)	(9,000)	-
Bitton Lamphut	-	6,224	-	(1,100)	5,124
Aviva Modes Software	-	1,500	(1,300)	-	200
Culture Recovery Fund	-	94,431	(88,198)	(6,233)	-
Shop COVID Refit	-	2,700	-	(2,700)	-
Bath/Extension Restoration	-	200	-	-	200
Gala	-	(228)	-	228	-
	<u>96,410</u>	<u>136,696</u>	<u>(104,616)</u>	<u>(37,594)</u>	<u>90,896</u>

Restricted funds - from time to time the Charity runs an appeal to purchase or restore and item of rolling stock or railway asset or to hold a special event. Income & expenditure on these funds is shown above.

During the year, restricted funds have been used to restore railway stock and equipment in line with restriction placed on the funds by donors. These funds have then been transferred to general funds as follows:

AVON VALLEY RAILWAY HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

(Continued)

21 Movement in funds

For the year ended 31 January 2022

	At 1 Feb 2021 £	Income £	Expenditure £	Transfers £	At 31 Jan 2022 £
Unrestricted Funds					
General funds	528,003	36,595	(63,882)	37,594	538,310
Motive Power Fund	1,424	2,200	(3,455)	-	169
	<u>529,427</u>	<u>38,795</u>	<u>(67,337)</u>	<u>37,594</u>	<u>538,479</u>
Total funds	<u>625,837</u>	<u>175,491</u>	<u>(171,953)</u>	<u>-</u>	<u>629,375</u>

Motive Power Fund - The Trustees decided to set aside into this designated fund any hire fees received from the operation of the Charity's locomotives. This money being put aside to ensure the capital required to overhaul and maintain the locomotives owned by the Charity is available and liquid enough to be used to keep all locomotives in service.

AVON VALLEY RAILWAY HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

(Continued)

21 Movement in funds

For the year ended 31 January 2021

	At 1 Feb 2020 £	Income £	Expenditure £	Transfers £	At 31 Jan 2021 £
Restricted funds					
Edwin Hulse Fund	28,326	337	-	-	28,663
Track	12,549	-	(3,325)	-	9,224
Fry's Sentinel Loco	19,998	45	-	(6,489)	13,554
RBR 1971	4,428	-	-	-	4,428
Loco & Rolling Stock	-	1,656	(267)	-	1,389
Goods Shed Lighting	675	-	-	-	675
RSH	6,127	95	-	-	6,222
Railway Development Fund	8,450	6,971	(1,910)	(4,306)	9,205
Annual Meal	1	-	-	(1)	-
HRA Pass	60	935	(910)	-	85
Other	15	-	-	(15)	-
Gala Costs	-	-	(110)	110	-
Chocolate Train	2,057	-	(1,114)	-	943
Littleton	10,087	3,164	-	-	13,251
Anniversary Event	3	-	-	(3)	-
W H Smith Stand	2,620	-	-	(2,620)	-
LMS Brake Van	8,478	30	-	-	8,508
Signalling	-	1,000	-	(737)	263
	<u>103,874</u>	<u>14,233</u>	<u>(7,636)</u>	<u>(14,061)</u>	<u>96,410</u>

AVON VALLEY RAILWAY HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

(Continued)

21 Movement in funds

For the year ended 31 January 2021

	At 1 Feb 2020 £	Income £	Expenditure £	Transfers £	At 31 Jan 2021 £
Unrestricted funds					
Fixed Asset Grant Fund	20,390	-	-	(20,390)	-
Avon Riverside Station	6,150	-	-	(6,150)	-
Car Park Resurfacing	1,123	-	-	(1,123)	-
Goods Shed Reroofing	436	-	-	(436)	-
15T Diesel Crane	2,694	-	-	(2,694)	-
New Buffet/Train Block	8,388	-	-	(8,388)	-
Coaches (BSO/TSO)	222	-	-	(222)	-
Buffet Coaches (TSO/SK)	2,374	-	-	(2,374)	-
Bogie Bolster Wagon	501	-	-	(501)	-
Track	127	-	-	(127)	-
Hopper Wagon (DB983583)	1,576	-	-	(1,576)	-
40T Hopper Wagon (DB982894)	1,896	-	-	(1,896)	-
Loco Pit	12,183	-	-	(12,183)	-
Motive Power Fund	1,200	-	(176)	400	1,424
CCTV	552	-	-	(552)	-
	59,812	-	(176)	(58,212)	1,424
General Funds	474,183	65,957	(84,410)	72,273	528,003
	533,995	65,957	(84,586)	14,061	529,427
Total funds	637,869	80,190	(92,222)	-	625,837

22 Related party transactions

During the year, R Eynon, a Trustee of the Charity, converted his £5,000 loan to the Trust into a donation. No conditions were attached to this donation. In addition, there were loans from members of the Charity totalling £3,600 (2021 - £8,600). These loans are interest free and repayable on demand.

23 Subsidiaries

These financial statements are separate Charity financial statements for the Avon Valley Railway Company Ltd (company number 04311647)

Details of the Charity's subsidiaries at 31 January 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
The Avon Valley Railway Company Ltd	United Kingdom	Railway	Ordinary	100.00

AVON VALLEY RAILWAY HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

23 Subsidiaries

(Continued)

The aggregate capital and reserves and the result for the year of subsidiaries was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
The Avon Valley Railway Company Ltd	74,965	75,030