

Company registration number: 03873466

Charity registration number: 1115058

HMRC charity number: 061000068832

The Western Locomotive Association Limited

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 30 September 2020

The Western Locomotive Association Limited

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The Western Locomotive Association Limited

Reference and Administrative Details

Chairman	D Shelmerdine
Trustees	R S Smith D Shelmerdine D Payne
Secretary	I Clayton - Appointed 25 July 2020 H J Coates - Resigned 25 July 2020
Senior Management Team	M Targett, Treasurer - Appointed 9 November 2019 A Wetton, Treasurer - Resigned 9 November 2019
Principal Office	Severn Valley Railway PLC Bridgnorth Shropshire
Registered Office	5 Prospect Place Millennium Way Pride Park Derby DE24 8HG The charity is incorporated in England and Wales.
Company Registration Number	03873466
Charity Registration Number	1115058
HMRC charity number	061000068832
Bankers	Barclays Bank PLC Leicester LE87 2BB
Independent Examiner	Ashgates Corporate Services Limited 5 Prospect Place Millenium Way Pride Park Derby DE24 8HG

The Western Locomotive Association Limited

Trustees' Annual Report (including Directors Report)

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 30 September 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

Trustees

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end were as follows:

R S Smith

D Shelmerdine

D Payne

Objectives and activities

Objects and aims

The principal activities and charitable objectives of the association is the preservation, maintenance and operation of its two locomotives, D1062 Western Courier and D1013 Western Ranger, so far as reasonably practical in a condition authentic to their operation by British Rail to advance the education of the public in the history of Class 52 Diesel Hydraulic locomotives.

Public benefit

The Charity's work focusses on the preservation, maintenance and operation of Class 52 Diesel Hydraulic locomotives to advance the education of the history of such locomotives to the public.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

Like most other preservation and volunteer groups, Covid-19 somewhat limited the Association's ability to work on both locomotives during the year and also the ability to raise funds.

However, despite the restrictions, the volunteers managed to successfully complete some important bogie repair work to D1062 Western Courier, which will improve the locomotive ride quality still further. In addition, the general overhaul work for D1013 continued to such an extent that one of the engines could be turned-over using the battery supply – the first time for over 10 years.

During the year, several Board meetings have taken place, where a budget has been carefully thought through for future expenditure, which will directly benefit both locomotives, such as full brake overhauls and other major component repairs. An exciting new project and appeal is in the process of being launched, to enable a full overhaul and retyre of both bogies for D1013.

The Company became registered for VAT as from August 2020, which will particularly benefit the Association from being able to claim back VAT on large items of expenditure for future repair and overhaul work.

In general, the Association remains in a sound financial position and is looking forward to the current Covid-19 restrictions being relaxed to continue its role within the Heritage Railway Preservation movement.

The Western Locomotive Association Limited
Trustees' Annual Report (Including Directors Report)

Financial review

The total incoming resources for the year were £26k – £3k less than 2019. Maintenance and overhaul spend increased this year to £42k compared to the 2019 amount of £16k. Cash reserves remain substantial at £114k as at 30 September 2020, with a further £8k credit balance with SVR.

The trustees and AGM have reviewed the financial statements and the variances on the previous year, accepted them and consider the results to be satisfactory.

Policy on reserves

The Association aims to hold financial reserves of at least £10,000 at all times. As at 30 September 2020 the Association held free reserves of £187,931 plus a fair value reserve of £43,041. Reserves are higher than usual due to a one off large bequest in the year ended 30 September 2018. The trustees are reviewing how to use these funds but given the current economic position this is also being taken into consideration as part of this review.

Structure, governance and management

Nature of governing document

The Association is a charitable company limited by guarantee, incorporated on 9 November 1999 and registered as a charity on 4 July 2006. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed by its Articles of Association.

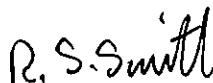
Recruitment and appointment of trustees

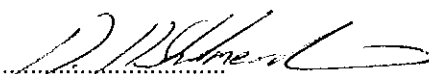
The Directors of the company are also trustees for the purposes of charity law and under the company's articles are known as Members of the Council. The governing board consists of a Board of Trustees who are appointed at the Annual General Meeting and retire by rotation every three years. Retiring members are eligible for re-election.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on 16.4.21 and signed on its behalf by:


.....
R S Smith
Trustee


.....
D Shelmerdine
Chairman and Trustee

The Western Locomotive Association Limited

Independent Examiner's Report to the trustees of The Western Locomotive Association Limited

I report to the charity trustees on my examination of the accounts of the charity for the year ended 30 September 2020 which are set out on pages 5 to 15.

Respective responsibilities of trustees and examiner

As the charity's trustees of The Western Locomotive Association Limited (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').

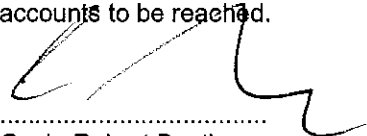
Having satisfied myself that the accounts of The Western Locomotive Association Limited are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the 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 Western Locomotive Association Limited as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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 accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

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.



.....
Gavin Robert Booth
Ashgates Corporate Services Limited

5 Prospect Place
Millenium Way
Pride Park
Derby
DE24 8HG

Date: 16-4-2021

The Western Locomotive Association Limited

**Statement of Financial Activities for the Year Ended 30 September 2020
(Including Income and Expenditure Account and Statement of Total
Recognised Gains and Losses)**

	Note	Unrestricted funds £	Total 2020 £	Total 2019 £
Income and Endowments from:				
Donations and subscriptions	3	14,124	14,124	14,021
Charitable activities	4	1,425	1,425	5,368
Trading activities	5	10,810	10,810	9,742
Total Income		26,359	26,359	29,131
Expenditure on:				
Raising funds		(3,110)	(3,110)	(5,252)
Charitable activities	6	(42,476)	(42,476)	(18,162)
Other expenditure	7	(1,048)	(1,048)	(1,940)
Total Expenditure		(46,634)	(46,634)	(25,354)
Net (expenditure)/income		(20,275)	(20,275)	3,777
Net movement in funds		(20,275)	(20,275)	3,777
Reconciliation of funds				
Total funds brought forward		208,206	208,206	204,429
Total funds carried forward	18	187,931	187,931	208,206

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2019 is shown in note 18.

The notes on pages 8 to 15 form an integral part of these financial statements.

The Western Locomotive Association Limited

(Registration number: 03873466)
Balance Sheet as at 30 September 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	2,243	-
Heritage assets	12	65,000	65,000
Investments	13	11,000	10,000
		<u>78,243</u>	<u>75,000</u>
Current assets			
Stocks	14	22,721	23,228
Debtors	15	17,373	13,811
Cash at bank and in hand		113,885	140,658
		<u>153,979</u>	<u>177,697</u>
Creditors: Amounts falling due within one year	16	<u>(1,250)</u>	<u>(1,450)</u>
Net current assets		<u>152,729</u>	<u>176,247</u>
Net assets		<u>230,972</u>	<u>251,247</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		187,931	208,206
Fair value reserve		43,041	43,041
Total unrestricted funds		<u>230,972</u>	<u>251,247</u>
Total funds	18	<u>230,972</u>	<u>251,247</u>

The notes on pages 8 to 15 form an integral part of these financial statements.

The Western Locomotive Association Limited

**(Registration number: 03873466)
Balance Sheet as at 30 September 2020**

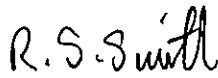
For the financial year ending 30 September 2020 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

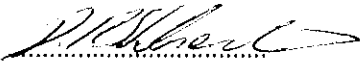
- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

The financial statements on pages 5 to 15 were approved by the trustees, and authorised for issue on ~~16.10.20~~ and signed on their behalf by:



R S Smith
Trustee



D Shelmerdine
Chairman and Trustee

The notes on pages 8 to 15 form an integral part of these financial statements.

The Western Locomotive Association Limited

Notes to the Financial Statements for the Year Ended 30 September 2020

1 Charity status

The charity is private company limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The principal place of business is:
Severn Valley Railway PLC
Bridgnorth
Shropshire

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Basis of preparation

The Western Locomotive Association Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are presented in Sterling (£) and rounded to the nearest £1.

Going concern

The emergence of the global pandemic known as Covid-19 has raised significant uncertainty throughout the UK economy. The Trustees have assessed a potential range of impacts that this pandemic may have on the Charity.

At the time of approving the accounts there is uncertainty over the projected income for the Charity because this pandemic is unprecedented so no one can accurately predict how the economy will react over the coming year.

Consideration has been given to the risks of reduced turnover, slow payment or non-payment of debts, the value of stock and other assets owned by the company.

Reserves continue to be reviewed and having assessed all available information at the date of approving the accounts, the Trustees are confident that the charity can continue as a going concern and the accounts have been prepared on this basis.

The Western Locomotive Association Limited

Notes to the Financial Statements for the Year Ended 30 September 2020

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

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.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The Western Locomotive Association Limited

Notes to the Financial Statements for the Year Ended 30 September 2020

Tangible fixed assets

Tangible fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction, over their estimated useful lives as follows:

Asset class	Depreciation method and rate
Fixtures and fittings	Straight line basis over 10 years

Heritage assets

The locomotives are considered to be heritage assets by the trustees. An impairment review is conducted each year. Should any impairments or movement in impairment arise from this review, this will be charged to the statement of financial activities for the period in which it occurs. The Trustees consider the assets to appreciate in value and therefore that this accounting policy results in the Financial Statements giving them a true and fair view. All tools, components and equipment are written off at the time of purchase.

Fixed asset investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Stock

Stock comprises of engineering components, fund raising merchandise for re-sale and locomotive models. Stocks are valued at the lower of cost or net realisable value.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

3 Income from donations and legacies

	Unrestricted funds		
	General	Total	Total
	£	2020	2019
		£	£
Donations and legacies;			
Membership subscriptions	6,613	6,613	5,974
Strategic donations and appeals	1,067	1,067	2,517
General donations	6,444	6,444	5,530
	<u>14,124</u>	<u>14,124</u>	<u>14,021</u>

The Western Locomotive Association Limited

Notes to the Financial Statements for the Year Ended 30 September 2020

4 Income from charitable activities

	Unrestricted funds		
	General £	Total 2020 £	Total 2019 £
Charitable activities;			
SVR operating income	1,425	1,425	4,273
SVR driver experience days	-	-	800
Events and gala weekends	-	-	295
	<u>1,425</u>	<u>1,425</u>	<u>5,368</u>

5 Income from other trading activities

	Unrestricted funds		
	General £	Total 2020 £	Total 2019 £
Trading income;			
Merchandise sales	5,990	5,990	6,924
Raffle receipts	4,820	4,820	2,818
	<u>10,810</u>	<u>10,810</u>	<u>9,742</u>

6 Expenditure on charitable activities

	Unrestricted funds		
	General £	Total 2020 £	Total 2019 £
Charitable activities;			
Locomotive expenditure; restoration and maintenance	42,262	42,262	15,785
Magazine and website	36	36	2,204
Other expenses	178	178	173
	<u>42,476</u>	<u>42,476</u>	<u>18,162</u>

The Western Locomotive Association Limited

Notes to the Financial Statements for the Year Ended 30 September 2020

7 Other expenditure

	Unrestricted funds		
	General	Total	Total
	£	2020	2019
		£	£
Governance costs;			
Independent Examiner's remuneration	993	993	1,603
Other resources expended	55	55	337
	<u>1,048</u>	<u>1,048</u>	<u>1,940</u>

8 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

9 Staff costs

The Association did not employ anybody during the year ended 30 September 2020 nor for the year ended 30 September 2019.

10 Independent examiner's remuneration

	2020 £	2019 £
Examination of the financial statements	<u>993</u>	<u>1,603</u>

The Western Locomotive Association Limited

Notes to the Financial Statements for the Year Ended 30 September 2020

11 Tangible fixed assets

	Fixtures and Fittings £	Total £
Cost		
Additions	2,243	2,243
At 30 September 2020	2,243	2,243
Depreciation		
At 30 September 2020	-	-
Net book value		
At 30 September 2020	2,243	2,243

12 Heritage assets

	Locomotives £	Total £
Cost		
At 1 October 2019	65,000	65,000
At 30 September 2020	65,000	65,000
Depreciation		
At 30 September 2020	-	-
Net book value		
At 30 September 2020	65,000	65,000

Revaluation

The fair value of the company's Locomotives was revalued in 2004 by an independent valuer, and assessed annually by the Trustees. Had this class of asset been measured on a historical cost basis, their carrying amount would have been £21,959 (2019 - £21,959).

The Western Locomotive Association Limited

Notes to the Financial Statements for the Year Ended 30 September 2020

13 Fixed asset investments

	2020	2019
	£	£
Other investments	<u>11,000</u>	<u>10,000</u>

Other investments

	Unlisted Investments £	Total £
Cost or Valuation		
At 1 October 2019	10,000	10,000
Additions	<u>1,000</u>	<u>1,000</u>
At 30 September 2020	<u>11,000</u>	<u>11,000</u>
Net book value		
At 30 September 2020	<u>11,000</u>	<u>11,000</u>
At 30 September 2019	<u>10,000</u>	<u>10,000</u>

14 Stock

	2020	2019
	£	£
Stocks	<u>22,721</u>	<u>23,228</u>

15 Debtors

	2020	2019
	£	£
VAT recoverable	7,606	-
Other debtors	<u>9,767</u>	<u>13,811</u>
	<u>17,373</u>	<u>13,811</u>

16 Creditors: amounts falling due within one year

	2020	2019
	£	£
Other creditors	<u>1,250</u>	<u>1,450</u>

The Western Locomotive Association Limited

Notes to the Financial Statements for the Year Ended 30 September 2020

17 Reserves

	Fair value reserve £	Total £
At 1 October 2019 and 30 September 2020	<u>43,041</u>	<u>43,041</u>

18 Funds

	Balance at 1 October 2019 £	Incoming resources £	Resources expended £	Balance at 30 September 2020 £
Unrestricted				
General	<u>208,206</u>	<u>26,359</u>	<u>(46,634)</u>	<u>187,931</u>

	Balance at 1 October 2018 £	Incoming resources £	Resources expended £	Balance at 30 September 2019 £
Unrestricted				
General	<u>204,429</u>	<u>24,563</u>	<u>(20,786)</u>	<u>208,206</u>