

Charity registration number 1115058

Company registration number 03873466 (England and Wales)

THE WESTERN LOCOMOTIVE ASSOCIATION LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

THE WESTERN LOCOMOTIVE ASSOCIATION LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	R Smith D Shelmerdine I Clayton P Finch M Targett
Secretary	I Clayton
Charity number	1115058
Company number	03873466
Principal address	Severn Valley Railway Bridgnorth Shropshire WV16 5DT
Registered office	5 Prospect Place Millennium Way Pride Park Derby DE24 8HG
Independent examiner	Ashgates Corporate Services Limited 5 Prospect Place Millennium Way Pride Park Derby DE24 8HG

THE WESTERN LOCOMOTIVE ASSOCIATION LIMITED

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THE WESTERN LOCOMOTIVE ASSOCIATION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

The trustees present their annual report and financial statements for the year ended 30 September 2023.

The financial statements have been prepared in accordance with the accounting policies set out in the note 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

The charity's objectives are the preservation, maintenance and operation of its (now three) locomotives, D1013 Western Ranger, D1048 Western Lady and D1062 Western Courier and, so far as reasonably practical in a condition authentic to their operation by British Rail. The Association was honoured to be gifted locomotive D1048 Western Lady on 30th September 2023 and although complete, the locomotive will receive a full assessment to determine how best to preserve the locomotive for future years.

The Charity's work focusses on the preservation, maintenance and operation of Class 52 Diesel Hydraulic locomotives to promote 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.

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

Achievements and performance

During 2023, The Western Locomotive Association Ltd (WLA) managed to achieve another record year in terms of income, resulting in record fund balances at £348k. This was mainly achieved through continuing with a high level of income in all areas covering donations, sales and operating income, which in total, were up by over £22k or 37.6%. Expenditure has been carefully managed, resulting in an increase in funds of just over £50k.

During 2023, the WLA was proud to celebrate D1062's 60th Birthday on 6th May and the locomotive went on to cover all its operating days for the season, with 100% availability. With D1048 being gifted to the Association, all three locomotives participated in the Severn Valley Railway's high profile Autumn Diesel Bash, with both D1013 and D1048 on display and following full external repaints. As a consequence of much publicity during the year, the WLA's membership increased by over 30% to 400 members.

The WLA was able to maintain its carbon neutral status and now has over 300 trees planted since 2021, supporting the Trees for Life's Forest Revitalisation Project, located in the Highlands of Scotland.

During the year, the Board continued to work in conjunction with the Management Committee, holding four Board meetings and three Management Committee meetings.

The WLA is grateful to the continued valuable support from its Membership, Working and Committee Members.

Financial review

The total incoming resources for the year were £81k - £22k more than 2022. Maintenance and overhaul spend increased this year to £15k compared to the 2022 amount of £13k. Cash reserves remain substantial at £154k as at 30 September 2023.

It is the policy of the charity to hold financial reserves of at least £10,000 at all times. As at 30 September 2023 the charity held free reserves of £279,030 plus a fair value reserve of £43,041.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

THE WESTERN LOCOMOTIVE ASSOCIATION LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

Structure, governance and management

Nature of governing document

The charity is a 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.

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:

R Smith

D Shelmerdine

I Clayton

P Finch

D Payne

M Targett

(Resigned 5 November 2022)

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.

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

R Smith
Trustee

P Finch
Trustee

Dated: 03.06.2024

THE WESTERN LOCOMOTIVE ASSOCIATION LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE WESTERN LOCOMOTIVE ASSOCIATION LIMITED

I report to the trustees on my examination of the financial statements of The Western Locomotive Association Limited (the charity) for the year ended 30 September 2023.

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).

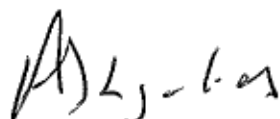
Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 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.



Gavin Robert Booth
Ashgates Corporate Services Limited

5 Prospect Place
Millennium Way
Pride Park
Derby
DE24 8HG

Dated: 03.06.2024

THE WESTERN LOCOMOTIVE ASSOCIATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total Unrestricted funds 2023 £	Restricted funds 2022 £	Total 2022 £
Income from:						
Donations and legacies	3	32,787	-	32,787	17,231	17,231
Charitable activities	4	8,830	16,015	24,845	16,528	19,796
Other trading activities	5	23,016	-	23,016	21,619	21,619
Investments	6	68	-	68	-	-
Total income		64,701	16,015	80,716	3,268	58,646
Expenditure on:						
Raising funds	7	12,210	-	12,210	-	10,785
Charitable activities	8	18,175	-	18,175	-	16,233
Other		126	-	126	-	150
Total expenditure		30,511	-	30,511	-	27,168
Net income for the year/ Net movement in funds		34,190	16,015	50,205	3,268	31,478
Fund balances at 1 October 2022		287,881	10,021	297,902	6,753	266,424
Fund balances at 30 September 2023		322,071	26,036	348,107	10,021	297,902

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.

THE WESTERN LOCOMOTIVE ASSOCIATION LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	13		7,020		3,199
Heritage assets	14		65,000		65,000
Investments	15		11,000		11,000
			<u>83,020</u>		<u>79,199</u>
Current assets					
Stocks	16	96,149		85,762	
Debtors	17	17,452		18,067	
Cash at bank and in hand		153,776		117,220	
		<u>267,377</u>		<u>221,049</u>	
Creditors: amounts falling due within one year	18	(2,290)		(2,346)	
Net current assets			<u>265,087</u>		<u>218,703</u>
Total assets less current liabilities			<u>348,107</u>		<u>297,902</u>
Income funds					
Restricted funds	20		26,036		10,021
General unrestricted funds		279,030		244,840	
Fair value reserve		<u>43,041</u>		<u>43,041</u>	
			<u>322,071</u>		<u>287,881</u>
			<u>348,107</u>		<u>297,902</u>

THE WESTERN LOCOMOTIVE ASSOCIATION LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 SEPTEMBER 2023

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 September 2023.

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 03.06.2024

R Smith
Trustee

P Finch
Trustee

Company registration number 03873466

THE WESTERN LOCOMOTIVE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies

Charity information

The charity is a 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.

Western Locomotive Association Ltd is a private company limited by guarantee incorporated in England and Wales. The registered office is 5 Prospect Place, Millennium Way, Pride Park, Derby, DE24 8HG.

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 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. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

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

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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.

THE WESTERN LOCOMOTIVE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies

(Continued)

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.

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:

Fixtures and fittings	10% reducing balance
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1.7 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.

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.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Stocks

Stocks 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.

THE WESTERN LOCOMOTIVE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies

(Continued)

1.11 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.

Derecognition of financial liabilities

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

1.12 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.

2 Critical accounting estimates and judgements

Heritage assets

The locomotives are reviewed on an annual basis for fair value impairment based on their expected realisable value and estimates of the future economic benefits attributable to them. Management make such estimations taking into account their knowledge of the assets.

THE WESTERN LOCOMOTIVE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Strategic donations and appeals	10,391	1,042
Membership fees	6,545	6,531
General donations	15,133	9,658
Other	718	-
	<u>32,787</u>	<u>17,231</u>

4 Charitable activities

	2023	2022
	£	£
Sales within charitable activities	22,945	16,596
SVR driver experience days	1,900	3,200
	<u>24,845</u>	<u>19,796</u>
Analysis by fund		
Unrestricted funds	8,830	16,528
Restricted funds	16,015	3,268
	<u>24,845</u>	<u>19,796</u>

5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Merchandise sales	17,391	16,113
Raffle receipts	5,625	5,506
	<u>23,016</u>	<u>21,619</u>

THE WESTERN LOCOMOTIVE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

6 Investments

	Unrestricted funds	Total Unrestricted funds	Total
	2023 £	2023 £	2022 £
Interest receivable	68	68	-

7 Raising funds

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
<u>Fundraising and publicity</u>		
Staging fundraising events	12,210	10,785
	<u>12,210</u>	<u>10,785</u>

8 Charitable activities

	2023 £	2022 £
Locomotive expenditure restoration and maintenance	10,085	7,134
Magazine and website	2,508	6,301
Other expenses	469	181
Tools and equipment	1,357	-
Carbon offsetting	304	290
	<u>14,723</u>	<u>13,906</u>
Share of governance costs (see note 9)	3,452	2,327
	<u>18,175</u>	<u>16,233</u>

THE WESTERN LOCOMOTIVE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

9 Support costs

	Support costs	Governance costs	2023	2022
	£	£	£	£
Depreciation	-	780	780	356
Independent Examiner's remuneration	-	1,898	1,898	1,343
Legal and professional	-	466	466	-
Other resources expended	-	308	308	628
	-	3,452	3,452	2,327
Analysed between Charitable activities	-	3,452	3,452	2,327

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

11 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Total	-	-

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

THE WESTERN LOCOMOTIVE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

13 Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 October 2022	3,807
Additions	4,599
	<u>8,406</u>
At 30 September 2023	
Depreciation and impairment	
At 1 October 2022	606
Depreciation charged in the year	780
	<u>1,386</u>
At 30 September 2023	
Carrying amount	
At 30 September 2023	<u>7,020</u>
At 30 September 2022	<u>3,199</u>

14 Heritage assets

	£
At 1 October 2022 and at 30 September 2023	<u>65,000</u>

The fair values of the company's Locomotives were revalued in 2004 by an independent valuer, and have subsequently been 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 (2022 - £21,959).

15 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 October 2022 & 30 September 2023	<u>11,000</u>
Carrying amount	
At 30 September 2023	<u>11,000</u>
At 30 September 2022	<u>11,000</u>

THE WESTERN LOCOMOTIVE ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

16 Stocks	2023	2022
	£	£
Stocks	96,149	85,762
	<u> </u>	<u> </u>
17 Debtors	2023	2022
	£	£
Amounts falling due within one year:		
Other debtors	17,452	18,067
	<u> </u>	<u> </u>
18 Creditors: amounts falling due within one year	2023	2022
	£	£
Trade creditors	595	1,096
Accruals and deferred income	1,695	1,250
	<u>2,290</u>	<u>2,346</u>

19 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.

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		Movement in funds		
	Balance at 1 October 2021	Incoming resources	Balance at 1 October 2022	Incoming resources	Balance at 30 September 2023
	£	£	£	£	£
D1013 bogie overhaul	6,753	3,268	10,021	16,015	26,036
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

21 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).