

Charity Registration No. 1133186

Company Registration No. 07065498 (England and Wales)

**GLOUCESTERSHIRE WARWICKSHIRE RAILWAY TRUST**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2021**

# GLOUCESTERSHIRE WARWICKSHIRE RAILWAY TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr G Cornish Mr R F Bush Mr H J Howard Mr R Scott Mr R C Summers Mr P Young Mrs R A Phillips Mr M Hall Mr R N Davidson	(Appointed 18 June 2020)
<b>Secretary</b>	Mrs M Barton-Hawkins	
<b>Charity number</b>	1133186	
<b>Company number</b>	07065498	
<b>Registered office</b>	Churchward House Winchcombe Railway Station Winchcombe Gloucestershire United Kingdom GL54 5LD	
<b>Auditor</b>	Ormerod Rutter Limited The Oakley Kidderminster Road Droitwich Worcestershire WR9 9AY	
<b>Bankers</b>	The Royal Bank of Scotland plc Cheltenham Branch 45 The Promenade Cheltenham GL50 1PY  Lloyds Bank plc Blackheath Branch PO Box 1000 BX1 1LT	

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# **GLOUCESTERSHIRE WARWICKSHIRE RAILWAY TRUST**

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# **GLOUCESTERSHIRE WARWICKSHIRE RAILWAY TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

**FOR THE YEAR ENDED 31 JANUARY 2021**

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The Trustees present their report and financial statements for the year ended 31 January 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, 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)" (as amended for accounting periods commencing from 1 January 2016).

### **Objectives and activities**

The charity's objectives are to support and/or maintain the Gloucestershire Warwickshire Railway as a living museum for the benefit of the public. In furtherance of these objects the charity may;

- Make grants to organisations that contribute to the operation of the Gloucestershire Warwickshire Railway as a living museum, including organisations that restore locomotives or carriages or other equipment.
- Acquire and preserve railway locomotives, railway carriages and other items of rolling stock and associated equipment.
- Restore and house such locomotives, carriages or other rolling stock and equipment and put them on display, loan or hire them so they may be used if practicable and make suitable arrangements for their continued preservation as far as possible.
- Publish or support the publication of books, articles or other material or otherwise to promote interest in Gloucestershire Warwickshire Railway as a living museum.
- Accept gifts, donations, legacies and bequests of assets on any terms.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing its aim and objectives, and in planning future activities.

### **Achievements and performance**

The Charity made a deficit for the year of £296,527 (2020 - surplus £294,757) with unrestricted reserves of £306,627 (2020 - £613,495) and restricted reserves of £57,535 (2020 - £47,194).

### **Financial review**

#### **Reserves policy**

The trustees aim to maintain enough reserves in unrestricted funds at a level which equates to approximately 3 months of unrestricted charitable expenditure. Where the level of free reserves is in excess of this level the charity aims to use any surpluses to fund projects run by or in support of the Gloucestershire Warwickshire Railway or purchase assets for the railway.

Excess monies not required for the day to day running of the charity are invested in a bank deposit account to provide a higher rate of return.

Restricted funds include monies raised specifically for the Broadway Project and Future Projects.

### **Investment policy and objectives**

The trustees consider that the investment in the Gloucestershire Warwickshire Steam Railway Plc is an appropriate investment to enable the company to achieve its objectives.

### **Risk management**

The trustees identify and review the risks to which the charity is exposed and establish systems to mitigate those risks. The charity is satisfied that systems are in place to mitigate their exposure to the major risks.



# **GLOUCESTERSHIRE WARWICKSHIRE RAILWAY TRUST**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JANUARY 2021**

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### **Review of the period**

The coronavirus pandemic has presented immense challenges for all of us in the last year. The severe landslip at Gotherington, coming just before the Race trains, was a major blow particularly as the Plc's income stream dried up because of the lockdown. The Trust made a substantial Grant towards the repairs and then launched a successful public appeal for the balance of £250,000, which was achieved in ten weeks.

The commitment to build The Goods Shed was made in 2019 but again, the Plc's anticipated funds did not materialize so the Trust stepped in and made further Grants; by the time you read this, the building should be in use by both Steam and Diesel Departments. Finally, when trains were able to restart in August, the need arose to disinfect the coaches every day so the Trust made a Grant for portable, rechargeable machines to do so. All these Grants demonstrate the Trust's commitment to the Gloucestershire Warwickshire Railway, this objective being made clearer by the changes to our Memorandum & Articles confirmed by the EGM (held by proxy vote) in March 2020.

The Trust have long wanted to have their own facility at Toddington so a timber building was installed opposite the station building and fitted out during the year (subject to social distancing!). We were able to open it for a few days in September and October before the second lockdown stopped all activities but re-opened on 13th April when train services restarted. We hope that the building will provide a benefit to both the Trust and the railway as a whole.

The Trust is always very grateful for the legacies that we receive, which enable us to increase our support of GWR. If you wish to leave a legacy, please pick up a leaflet from our stations or telephone the Office on 01242 6214905 and they will send you one.

Membership rates were last increased in 2018 for a period of three years but were held for a further year. Both postage rates and the cost of funding projects on GWR have increased in that time so a modest increase in membership rates will take effect from March 2022. I hope that you will continue to support Gloucestershire Warwickshire Railway Trust by renewing your membership in the years ahead.

### **Future developments**

The charity continues it's joint venture with the Gloucestershire Warwickshire Steam Railway Plc to raise funds for the future expansion of the railway.

### **Structure, governance and management**

#### **Governing document**

The charity is governed by its Memorandum and Articles of Association and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

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 G Cornish

Mr R F Bush

Mr H J Howard

Mr R Scott

Mr D Staniforth

(Resigned 18 June 2020)

Mr R C Summers

Mr P Young

Mrs R A Phillips

Mr M Hall

Mr R N Davidson

(Appointed 18 June 2020)

### **Recruitment and appointment of new trustees**

The trustees, who are also directors are appointed by ordinary resolution or by the existing directors.

# GLOUCESTERSHIRE WARWICKSHIRE RAILWAY TRUST

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JANUARY 2021

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### Organisational structure

The Trustees are responsible for managing the charity. Responsibilities for some functions are delegated to individuals as they see fit.

### Induction and training of new trustees

New trustees are provided with information from the Charity Commission explaining the duties and responsibilities of trustees, together with a copy of the charity's Memorandum and Articles of Association.

### Statement of trustees' responsibilities

The Trustees, who are also the directors of Gloucestershire Warwickshire Railway 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:

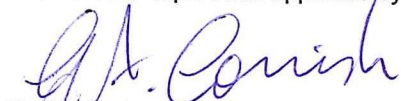
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures 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.

### Auditor

The auditors, Ormerod Rutter Limited, will be proposed for re-appointment in accordance with Section 487(2) of the Companies Act 2006.

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



**Mr G Cornish**  
Trustee

Dated: 23 April 2021



# GLOUCESTERSHIRE WARWICKSHIRE RAILWAY TRUST

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF GLOUCESTERSHIRE WARWICKSHIRE RAILWAY TRUST

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#### Opinion

We have audited the financial statements of Gloucestershire Warwickshire Railway Trust (the 'charity') for the year ended 31 January 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 January 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

#### Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **GLOUCESTERSHIRE WARWICKSHIRE RAILWAY TRUST**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF GLOUCESTERSHIRE WARWICKSHIRE RAILWAY TRUST**

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#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of Trustees**

As explained more fully in the statement of trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# GLOUCESTERSHIRE WARWICKSHIRE RAILWAY TRUST

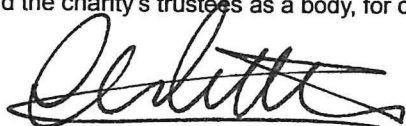
## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF GLOUCESTERSHIRE WARWICKSHIRE RAILWAY TRUST

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#### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Garry Rutter FCA (Senior Statutory Auditor)**  
for and on behalf of Ormerod Rutter Limited

27.14.2021

**Chartered Accountants**  
**Statutory Auditor**

The Oakley  
Kidderminster Road  
Droitwich  
Worcestershire  
WR9 9AY

Ormerod Rutter Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.



# GLOUCESTERSHIRE WARWICKSHIRE RAILWAY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
<b>Income from:</b>							
Donations and legacies	3	261,967	291,332	553,299	360,181	21,986	382,167
Other trading activities	4	7,990	-	7,990	176	9,395	9,571
Investments	5	147	-	147	842	-	842
<b>Total income</b>		<b>270,104</b>	<b>291,332</b>	<b>561,436</b>	<b>361,199</b>	<b>31,381</b>	<b>392,580</b>
<b>Expenditure on:</b>							
Raising funds	6	12,502	-	12,502	10,726	-	10,726
Charitable activities	7	564,220	281,241	845,461	66,739	20,358	87,097
<b>Total resources expended</b>		<b>576,722</b>	<b>281,241</b>	<b>857,963</b>	<b>77,465</b>	<b>20,358</b>	<b>97,823</b>
<b>Net (outgoing)/ incoming resources before transfers</b>		<b>(306,618)</b>	<b>10,091</b>	<b>(296,527)</b>	<b>283,734</b>	<b>11,023</b>	<b>294,757</b>
Gross transfers between funds		(250)	250	-	(5,841)	5,841	-
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<b>(306,868)</b>	<b>10,341</b>	<b>(296,527)</b>	<b>277,893</b>	<b>16,864</b>	<b>294,757</b>
Fund balances at 1 February 2020		613,495	47,194	660,689	335,602	30,330	365,932
<b>Fund balances at 31 January 2021</b>		<b>306,627</b>	<b>57,535</b>	<b>364,162</b>	<b>613,495</b>	<b>47,194</b>	<b>660,689</b>

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.

# GLOUCESTERSHIRE WARWICKSHIRE RAILWAY TRUST

## BALANCE SHEET

AS AT 31 JANUARY 2021


	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	13		7,376		-
<b>Current assets</b>					
Debtors	15	49,858		4,702	
Cash at bank and in hand		334,265		682,136	
		<u>384,123</u>		<u>686,838</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(27,337)</u>		<u>(26,149)</u>	
Net current assets			356,786		660,689
<b>Total assets less current liabilities</b>			<u>364,162</u>		<u>660,689</u>
<b>Income funds</b>					
Restricted funds	17		57,535		47,194
<u>Unrestricted funds</u>					
Designated funds	18	41,434		169,509	
General unrestricted funds		<u>265,193</u>		<u>443,986</u>	
			306,627		613,495
			<u>364,162</u>		<u>660,689</u>

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 2021, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

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

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 23 April 2021

  
Mr G Cornish  
Trustee

Company Registration No. 07065498

# GLOUCESTERSHIRE WARWICKSHIRE RAILWAY TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	23		(338,798)		291,593
<b>Investing activities</b>					
Purchase of tangible fixed assets		(9,220)		-	
Investment income received		147		842	
<b>Net cash (used in)/generated from investing activities</b>			(9,073)		842
<b>Net cash used in financing activities</b>			-		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(347,871)		292,435
Cash and cash equivalents at beginning of year			682,136		389,701
<b>Cash and cash equivalents at end of year</b>			<u>334,265</u>		<u>682,136</u>



# GLOUCESTERSHIRE WARWICKSHIRE RAILWAY TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

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### 1 Accounting policies

#### Charity information

Gloucestershire Warwickshire Railway Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Churchward House, Winchcombe Railway Station, Winchcombe, Gloucestershire, GL54 5LD, United Kingdom.

#### 1.1 Accounting convention

The accounts have been prepared in accordance with the charity's Memorandum and Articles of Association, 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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

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.

#### 1.4 Incoming resources

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

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.

# GLOUCESTERSHIRE WARWICKSHIRE RAILWAY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

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### 1 Accounting policies

(Continued)

#### 1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

The presentation of charitable activities flows from the charity's vision and purpose.

Grants awarded in furtherance of the charity's objects are recognised as a note as soon as the charity has notified the recipient of the award.

Governance costs comprise all costs identified as wholly or mainly attributable to ensuring the public accountability of the charity and its compliance with regulation. These costs include external audit and legal costs.

#### 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	- 20% on cost
Computer software	- 20% on cost

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 net income/(expenditure) for the year.

#### 1.7 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.

#### 1.8 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.

# GLOUCESTERSHIRE WARWICKSHIRE RAILWAY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

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### 1 Accounting policies

(Continued)

#### **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.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **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.

### 1.9 Taxation

The charity is exempt from corporation tax on its charitable activities.

### 1.10 Investments

Investments are stated at deemed market value.

# GLOUCESTERSHIRE WARWICKSHIRE RAILWAY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

### 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
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations and gifts	52,726	291,332	344,058	53,924	21,986	75,910
Legacies receivable	129,144	-	129,144	238,526	-	238,526
Subscriptions	80,097	-	80,097	67,731	-	67,731
	<u>261,967</u>	<u>291,332</u>	<u>553,299</u>	<u>360,181</u>	<u>21,986</u>	<u>382,167</u>

### 4 Other trading activities

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2021 £	2020 £	2020 £	2020 £
Fundraising	<u>7,990</u>	<u>176</u>	<u>9,395</u>	<u>9,571</u>

### 5 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Interest receivable	<u>147</u>	<u>842</u>

# GLOUCESTERSHIRE WARWICKSHIRE RAILWAY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

### 6 Raising funds

	2021	2020
	£	£
<u>Fundraising and publicity</u>		
Computer costs	5,034	4,774
Postage, printing and stationery	4,002	2,871
Website costs	720	708
Sundries	902	2,026
Depreciation and impairment	1,844	347
	<u>12,502</u>	<u>10,726</u>
Fundraising and publicity	<u>12,502</u>	<u>10,726</u>
	<u>12,502</u>	<u>10,726</u>
<b>For the year ended 31 January 2020</b>		
Fundraising and publicity		<u>10,726</u>

# GLOUCESTERSHIRE WARWICKSHIRE RAILWAY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

### 7 Charitable activities

	2021 £	2020 £
Fundraising prizes	3,805	4,578
Insurance	462	447
Magazine postage and packaging	8,545	8,290
Printing of magazines	17,089	14,092
Bank charges	3,962	2,094
Broadway project expenditure	-	1,000
Training projects	-	80
Haulage	-	838
	<u>33,863</u>	<u>31,419</u>
Grant funding of activities (see note 8)	799,554	47,996
Share of governance costs (see note 9)	12,044	7,682
	<u>845,461</u>	<u>87,097</u>
<b>Analysis by fund</b>		
Unrestricted funds	564,220	
Restricted funds	281,241	
	<u>845,461</u>	
<b>For the year ended 31 January 2020</b>		
Unrestricted funds		66,739
Restricted funds		20,358
		<u>87,097</u>

### 8 Grants payable

	2021 £	2020 £
Gloucestershire Warwickshire Steam Railway Plc	<u>799,554</u>	<u>47,996</u>

In the event of Gloucestershire Warwickshire Steam Railway Plc ceasing to operate, all grants made would be recoverable against assets held by Gloucestershire Warwickshire Steam Railway Plc.



# GLOUCESTERSHIRE WARWICKSHIRE RAILWAY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

### 9 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Audit fees	-	2,280	2,280	-	2,202	2,202
Legal and professional	-	9,764	9,764	-	5,480	5,480
	<u>-</u>	<u>12,044</u>	<u>12,044</u>	<u>-</u>	<u>7,682</u>	<u>7,682</u>
Analysed between Charitable activities	-	12,044	12,044	-	7,682	7,682
	<u>-</u>	<u>12,044</u>	<u>12,044</u>	<u>-</u>	<u>7,682</u>	<u>7,682</u>

### 10 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the charity's auditors and associates:	2021 £	2020 £
Audit of the charity's annual accounts	<u>2,280</u>	<u>2,202</u>

### 11 Trustees

There were no trustees' remuneration or other benefits for the year ended 31st January 2021 nor for the year ended 31st January 2020.

During the year 2 trustees were reimbursed expenses of £827 (2020: £nil). These costs related to stationery, IT and lottery licence fees.

### 12 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Total	<u>-</u>	<u>-</u>

# GLOUCESTERSHIRE WARWICKSHIRE RAILWAY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

### 13 Tangible fixed assets

	Fixtures and fittings £	Computer software £	Total £
<b>Cost</b>			
At 1 February 2020	1,739	5,522	7,261
Additions	9,220	-	9,220
At 31 January 2021	10,959	5,522	16,481
<b>Depreciation and impairment</b>			
At 1 February 2020	1,739	5,522	7,261
Depreciation charged in the year	1,844	-	1,844
At 31 January 2021	3,583	5,522	9,105
<b>Carrying amount</b>			
At 31 January 2021	7,376	-	7,376

### 14 Fixed asset investments

Total shares received as gifts during the year amounted to £7,690 (2020: £2,845).

The total of shares held in Gloucestershire Warwickshire Steam Railway Plc amount to £387,320 (2020: £379,630).

The directors are of the opinion the deemed market value of investments is £nil (2020 - £nil).

### 15 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Tax	5,886	4,138
Other debtors	1,000	-
Prepayments and accrued income	42,972	564
	49,858	4,702



# GLOUCESTERSHIRE WARWICKSHIRE RAILWAY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

### 16 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	1,367	1,338
Accruals and deferred income	25,970	24,811
	<u>27,337</u>	<u>26,149</u>

Included within accruals and deferred income is deferred income of £23,770 (2020: £22,266). This comprises income received in relation to future years from members who have subscribed to 3 year memberships.

	£
Balance as at 1st February 2019	22,226
Amount released to subscription income	(16,755)
Amount deferred in year	18,259
Balance as at 31st January 2020	<u>23,730</u>

# GLOUCESTERSHIRE WARWICKSHIRE RAILWAY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

### 17 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:

	Balance at 1 February 2019 £	Movement in funds			Balance at 1 February 2020 £	Movement in funds			Balance at 31 January 2021 £
		Incoming resources £	Resources expended £	Transfers £		Incoming resources £	Resources expended £	Transfers £	
Broadway projects	20,967	9,662	(9,780)	-	20,849	4,644	(6,978)	-	18,515
Toddington children's playground	6,000	-	(6,000)	-	-	-	-	-	-
Viewing gallery	3,363	9,714	(4,578)	5,841	14,340	8,111	(3,805)	-	18,646
Locomotive welfare building, volunteers' donations	-	12,005	-	-	12,005	6,669	(8,676)	-	9,998
W McKinley - FOWS	-	-	-	-	-	10,000	-	-	10,000
Landslip fund	-	-	-	-	-	261,532	(261,782)	250	-
Other small funds	-	-	-	-	-	376	-	-	376
	30,330	31,381	(20,358)	5,841	47,194	291,332	(281,241)	250	57,535

# **GLOUCESTERSHIRE WARWICKSHIRE RAILWAY TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JANUARY 2021**

17	Restricted funds	(Continued)
	<b>Broadway projects</b>	
	A project to build a station and to re-instate the line at Broadway is now complete. However, additional costs for the steps at Broadway will also be paid from this fund.	
	<b>Toddington children's playground</b>	
	A fund to purchase new playground equipment.	
	<b>Viewing gallery</b>	
	A fund to enable the viewing of the maintenance of engines in the diesel and steam shed at Toddington.	
	<b>Locomotive welfare building, volunteers' donations</b>	
	An amount funded by the steam department for the fit out of the locomotive building once it has been built.	
	<b>W McKinley - Friends of Winchcombe Station</b>	
	This fund represents a donation from W McKinley to be used by the Friends of Winchcombe Station.	
	<b>Landslip fund</b>	
	Funds contributed towards the costs of the Gotherington landslip.	
	<b>Other funds</b>	
	Small donations in respect of signal box labelling and drainage work.	

# **GLOUCESTERSHIRE WARWICKSHIRE RAILWAY TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JANUARY 2021**

### **18 Designated funds**

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 February 2019 £	Incoming resources £	Transfers £	Balance at 1 February 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 January 2021 £
Observation car project	9,076	2,933	-	12,009	284	(2,208)	-	10,085
Grant for locomotive welfare building	-	-	141,000	141,000	-	(141,000)	-	-
Malcolm Evans fund	-	16,500	-	16,500	8,000	-	(20,500)	4,000
2nd welfare building grant	-	-	-	-	-	(155,251)	170,000	14,749
Signal and sign reserve	-	-	-	-	-	-	2,600	2,600
Temporary road Toddington	-	-	-	-	-	-	10,000	10,000
	<u>9,076</u>	<u>19,433</u>	<u>141,000</u>	<u>169,509</u>	<u>8,284</u>	<u>(298,459)</u>	<u>162,100</u>	<u>41,434</u>

# **GLOUCESTERSHIRE WARWICKSHIRE RAILWAY TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JANUARY 2021**

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### **18 Designated funds**

**(Continued)**

#### **Observation car project**

A fund set up to collect money to restore a coach by a group of members. This fund was created by the catering department and going forward will be renamed as Railway Catering Services fund.

#### **Grant for locomotive welfare building**

A fund for a welfare building for volunteers.

#### **Malcolm Evans fund**

A fund not yet determined.

#### **2nd welfare building grant**

This is an additional grant for the welfare building.

#### **Signal and sign reserve**

A fund to replace the signs at Greet Tunnel and repairs to a signal outside Cheltenham Station.

#### **Temporary road Toddington**

A fund towards the temporary road through the unused garden centre to reduce the traffic on the approach road to Toddington Station.

# GLOUCESTERSHIRE WARWICKSHIRE RAILWAY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

### 19 Analysis of net assets between funds

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £
Fund balances at 31 January 2021 are represented by:						
Tangible assets	7,376	-	7,376	-	-	-
Current assets/ (liabilities)	299,251	57,535	356,786	613,495	47,194	660,689
	<u>306,627</u>	<u>57,535</u>	<u>364,162</u>	<u>613,495</u>	<u>47,194</u>	<u>660,689</u>

### 20 Events after the reporting date

In March 2021, the Gloucestershire Warwickshire Railway Trust has pledged a further £80,000 to the Plc toward the cost of the welfare building at Toddington.

### 21 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

### 22 Limited liability of shares

The company is limited by guarantee and therefore has no share capital. In the event of the company being wound up each member is liable for an amount not exceeding £10.

The company is a registered charity and has taken advantage of the exemption to dispense with the word Limited from its name.

23 Cash generated from operations	2021 £	2020 £
(Deficit)/surplus for the year	(296,527)	294,757
Adjustments for:		
Investment income recognised in statement of financial activities	(147)	(842)
Depreciation and impairment of tangible fixed assets	1,844	347
Movements in working capital:		
(Increase)/decrease in debtors	(45,156)	1,161
Increase/(decrease) in creditors	1,188	(3,830)
<b>Cash (absorbed by)/generated from operations</b>	<u>(338,798)</u>	<u>291,593</u>

### 24 Analysis of changes in net funds

The charity had no debt during the year.