



The
82045
Steam Locomotive Trust

(Company limited by guarantee)

Company number 6872358

Charity number 1133893

FINANCIAL STATEMENTS

31 DECEMBER 2020



Spenser Wilson
Chartered Accountants & Business Advisers

THE 82045 STEAM LOCOMOTIVE TRUST
(Company limited by guarantee)

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

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THE 82045 STEAM LOCOMOTIVE TRUST

(Company limited by guarantee)

COMPANY INFORMATION

Registered charity name	The 82045 Steam Locomotive Trust
Charity number	1133893
Company registration number	6872358
Registered office	Woodford School Bank Norley Frodsham Cheshire WA6 8JY
Patron	HRH The Duke of Gloucester
Trustees	Alvin Barker Alan Brighthouse ACMA Rev Michael J Kneen BSc BA MSc Anthony N Massau Mrs Barbara L Massau Chris D Proudfoot MA
Independent examiner	Andrea Kennedy BFP FCA FCCA ATT(Fellow) Spenser Wilson Limited Equitable House 55 Pellon Lane Halifax West Yorkshire HX1 5SP
Bankers	Barclays Bank 38 Market Street Crewe Cheshire CW1 2ET

THE 82045 STEAM LOCOMOTIVE TRUST

(Company limited by guarantee)

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)

YEAR ENDED 31 DECEMBER 2020

The trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the unaudited financial statements of the charity for the year ended 31 December 2020.

REFERENCE AND ADMINISTRATIVE DETAILS are shown on page 1 of these financial statements.

THE TRUSTEES who served the company during the period were those detailed on page 1 of these financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The 82045 Steam Locomotive Trust is governed by the Memorandum and Articles of Association dated 7 April 2009.

The 82045 Steam Locomotive Trust was established to secure the building of a British Railways Riddles 82000 class 3MT 2-6-2 tank locomotive, a type that became extinct following the end of steam traction on British Railways in 1968. Unlike many of the current new-build projects, which are aiming to recreate larger main-line types of locomotive, the new loco is intended specifically for use on heritage railways.

The project started life in the late 1990's under the aegis of John Besley, a fireman on the South Devon Railway, who worked hard to get the project off the ground. However, in 2003, work and family commitments forced him to hand over the controls to Tony Massau and Chris Proudfoot, Cheshire-based footplatemen on the Severn Valley Railway (SVR). Both men remain involved and are among the Trust's current six trustees.

The Committee is made up entirely of volunteer trustees committed to bringing the project to fruition. Although based on the SVR, the Trust is a completely independent body.

Recruitment and appointment of trustees

The trustees are elected at the Annual General Meeting.

Trustee induction and training

Induction and training are provided as required, depending on the role to be undertaken and the skills of the trustee.

Risk management

The Management Committee has conducted a review of the major risks to which the charity is exposed. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff and volunteers.

THE 82045 STEAM LOCOMOTIVE TRUST

(Company limited by guarantee)

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)

(continued)

YEAR ENDED 31 DECEMBER 2020

OBJECTIVES AND ACTIVITIES

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

The driving force behind the 82045 project is the conviction that, without an initiative of this kind, the days of working steam are numbered: even the most recently-built of existing BR Standard locomotives is now over sixty years old. With all the attendant problems of maintenance and repair that age will increasingly cause their owners, it seems hardly feasible that the current fleet will continue to be able to run day-to-day services in another sixty (and probably far fewer) years; their lives will certainly be prolonged if they work alongside newly-built engines that can shoulder some of the burden.

The 45 engines of the 82000-series were numbered 82000 - 82044 inclusive. The Trust is in the process of building the next member of the class, 82045, for use on the Severn Valley Railway, where the project is based.

It has been suggested that this type could be an ideal candidate for limited series production. While the Trust says that this is well beyond their own scope, it believes that making the breakthrough with 82045 could encourage others to take over in the future. Batch production would drastically reduce the unit cost of building new 82000s, originally estimated at between £1.25m and £1.5m for 82045 but, thanks to the very strong, skilled engineering team that has been built up over the past six or seven years and the resulting capacity to do a great deal of work in-house rather than its having to be contracted out, these figures have subsequently been revised downwards. Thanks also to the unanticipated level of volunteer input the project has attracted, there is less need than originally anticipated to resort to the cheque book and it may therefore be possible to build the locomotive for something around the lower end of that estimate.

Success with this project would perhaps also open the door to the recreation of the elegant BR Riddles Class 3 77000 2-6-0, another long-lost type which is eminently well suited to service on today's heritage lines.

The Trustees have no personal ambitions with 82045: the Trust simply wants to see it built as soon as possible and in service on the SVR, as well as on hire to other heritage lines subject to agreement with the SVR and the Trust. The SVR is considered to be an ideal home for the locomotive: it has a 16-mile operating length and considerable steam railway engineering know-how; and it is also historically correct, since examples of the 82000 class regularly worked over the line from their introduction in 1952 right through to the early 1960s.

THE 82045 STEAM LOCOMOTIVE TRUST

(Company limited by guarantee)

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)

(continued)

YEAR ENDED 31 DECEMBER 2020

ACHIEVEMENTS AND PERFORMANCE

In common with everyone else, the Trust was affected for most of the year by the restrictions associated with the covid virus. In particular, these impacted on the ability of our engineering team to progress as we had planned: many of the jobs entail literally working head-to-head, which is incompatible with the rules of social distancing.

Despite this, work did continue on assembling the firebox in the SVR's boiler shop, and the spirit of co-operation that has existed between Severn Valley engineering personnel and Trust volunteers since the arrival of former Works Manager Neil Taylor was well to the fore. We are very grateful for this relationship, and, though we greatly regret Neil's decision to retire, I am glad to say that it continues under his successor Martin White.

The year closed, by and large, on a positive note, with the pony truck assemblies having reached an advanced stage of completion and the prospect of having a complete boiler and firebox unit within the next year or so. There were one or two problems on the supply side, occasioned by both the pandemic and by staffing difficulties experienced by some of the contracted firms, who continue to find it difficult to recruit personnel with the right level of skills. This points up a widespread problem in the industry, and in the UK as a whole, and is reflective of certain aspects of past government policy.

Fortunately, the items for which we were having to wait have not affected the overall timescale for the remainder of the build, and we are hopeful that 82045 will steam in the latter half of 2023, approximately a year later than we had hoped before the pandemic struck.

PUBLIC BENEFIT

The Trustees confirm that they have complied with their duty to have due regard for the Charity Commission's general guidance on public benefit, 'Charities and public benefit'.

FINANCIAL REVIEW

The Trustees are happy with the levels of income and consider them to be compatible with spending plans going forward.

Investment policy

The Trustees have agreed that, when funds are available, they should be invested into the next stage of the project to build 82045.

Reserves policy

The Trustees review the unrestricted reserves of the charity on a regular basis and have approved a policy of maintaining a minimum level of reserves which they consider should be sufficient to ensure the continuity of the project.

Principal funding sources

The principal funding sources for the charity are donations, many with related Gift Aid contributions from HM Government, sponsorship, merchandise sales and other fundraising activities and promotions.

THE 82045 STEAM LOCOMOTIVE TRUST

(Company limited by guarantee)

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)

(continued)

YEAR ENDED 31 DECEMBER 2020

PLANS FOR FUTURE PERIODS

The charity plans to continue on its present course, raising funds and providing resources to ensure 82045's completion and entry into service on the SVR. During the year, additional funding has also been provided by a Trust member (see Note 13) to ensure that adequate financial resources are readily available to complete the build at the earliest date possible.

RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also the directors of the 82045 Steam Locomotive Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the income and expenditure of the charitable company for that period.

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 accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT EXAMINER

Andrea Kennedy BFP FCA FCCA ATT(Fellow) has been appointed as independent examiner for the ensuing year.

THE 82045 STEAM LOCOMOTIVE TRUST

(Company limited by guarantee)

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)

(continued)

YEAR ENDED 31 DECEMBER 2020

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Registered office:

Woodford
School Bank
Norley
Frodsham
Cheshire
WA6 8JY

Signed on behalf of the trustees

A BRIGHOUSE
Directors and Trustees

C D PROUDFOOT

29 September 2021

THE 82045 STEAM LOCOMOTIVE TRUST

(Company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

YEAR ENDED 31 DECEMBER 2020

I report to the trustees on my examination of the financial statements of The 82045 Steam Locomotive Trust ('the charity') for the year ended 31 December 2020.

RESPONSIBILITIES AND BASIS OF REPORT

As the trustees of the company (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 accounts of the company 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 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:

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 accounts to be reached.

A KENNEDY BFP FCA FCCA ATT(Fellow)

Independent examiner

SPENSER WILSON LIMITED

Equitable House
55 Pellon Lane
Halifax
West Yorkshire
HX1 5SP

29 September 2021

THE 82045 STEAM LOCOMOTIVE TRUST
(Company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating the income and expenditure account)

YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted funds £	Restricted funds £	Total Funds 2020 £	Total Funds 2019 £
INCOME AND ENDOWMENTS					
Donations and legacies	4	72,991	69,765	142,756	154,425
Charitable activities	5	534	—	534	1,755
Investment income	6	8	—	8	11
TOTAL INCOME		<u>73,533</u>	<u>69,765</u>	<u>143,298</u>	<u>156,191</u>
EXPENDITURE					
Expenditure on raising funds:					
Expenditure on charitable activities	7	(283)	—	(283)	(1,065)
Marketing and administration costs	8	(6,184)	—	(6,184)	(1,309)
TOTAL EXPENDITURE		<u>(6,467)</u>	<u>—</u>	<u>(6,467)</u>	<u>(2,374)</u>
NET INCOME		67,066	69,765	136,831	153,817
Transfers between funds		(184,830)	184,830	—	—
Net movement in funds		(117,764)	254,595	136,831	153,817
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>759,333</u>	<u>620,021</u>	<u>1,379,354</u>	<u>1,225,537</u>
TOTAL FUNDS CARRIED FORWARD		<u>641,569</u>	<u>874,616</u>	<u>1,516,185</u>	<u>1,379,354</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 11 to 15 form part of these financial statements.

THE 82045 STEAM LOCOMOTIVE TRUST
(Company limited by guarantee: Registration Number 6872358)

BALANCE SHEET

31 DECEMBER 2020

		2020		2019	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	11		1,194,897		1,162,119
CURRENT ASSETS					
Stocks	12	-		200	
Debtors	13	17,323		44,320	
Cash at bank		504,965		373,715	
		522,288		418,235	
CREDITORS: amounts falling due within one year					
Accruals and deferred income		1,000		1,000	
NET CURRENT ASSETS			521,288		417,235
			1,716,185		1,579,354
CREDITORS: amounts falling due after more than one year					
Loan	14		200,000		200,000
TOTAL NET ASSETS			1,516,185		1,379,354

The notes on pages 11 to 15 form part of these financial statements.

THE 82045 STEAM LOCOMOTIVE TRUST
(Company limited by guarantee: Registration Number 6872358)

BALANCE SHEET *(continued)*

31 DECEMBER 2020

	Note	2020 £	2019 £
FUNDS			
Restricted income funds	15	874,616	620,021
Unrestricted income funds	15	641,569	759,333
TOTAL FUNDS	16	<u>1,516,185</u>	<u>1,379,354</u>

The trustees are satisfied that the company was entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477 and that no member has requested an audit pursuant to section 476 of the Act. The trustees acknowledge their responsibilities for:

- (i) ensuring that the company keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) 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 profit or loss for the financial year in accordance with the requirements of section 393 and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime; they were approved by the Trustees on 29 September 2021 and are signed on their behalf by:

C D PROUDFOOT
Director and Trustee

The notes on pages 11 to 15 form part of these financial statements.

THE 82045 STEAM LOCOMOTIVE TRUST

(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

The charity is a private company limited by guarantee, registered as both a company and a charity in England and Wales. The address of the registered office is 'Woodford', School Bank, Norley, Frodsham, Cheshire WA6 8JY.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparation of the accounts

The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in Sterling, which is the company's functional currency.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are not considered to be any judgements or accounting estimates or assumptions that have a significant impact on the financial statements.

FRS 102

The Charity has taken advantage of the exemption under s.7, FRS 102 not to prepare a cash flow statement.

Income and expenditure recognition

Income is recognised only when the Charity has entitlement to the funds. Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party.

Fixed assets

All costs applied to the construction of 82045 are shown without depreciation and/or any other adjustments. Depreciation policy will be reviewed on completion of the locomotive.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.

THE 82045 STEAM LOCOMOTIVE TRUST

(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2020

3. ACCOUNTING POLICIES *(continued)*

Fund accounting

Unrestricted funds can be used, in accordance with the charitable objectives, at the discretion of the trustees.

Restricted funds can only be used for those purposes for which the particular funds were raised or as specified by the donor.

Financial instruments

Public benefit entity concessionary loans are initially measured at the amount received or paid and are recognised in the statement of financial position.

In subsequent years the carrying amount of concessionary loans in the financial statements shall be adjusted to reflect any accrued interest payable or receivable.

To the extent that a loan that has been made is irrecoverable, an impairment loss shall be recognised in income and expenditure.

4. DONATIONS AND LEGACIES

	Unrestricted funds	Restricted funds	Total funds 2020	Total funds 2019
	£	£	£	£
Donations	64,404	61,547	125,951	135,195
Gift Aid	8,587	8,218	16,805	19,230
	<u>72,991</u>	<u>69,765</u>	<u>142,756</u>	<u>154,425</u>

5. CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds 2020	Total funds 2019
	£	£	£	£
Merchandise sales	534	–	534	1,755
Fundraising events	–	–	–	–
	<u>534</u>	<u>–</u>	<u>534</u>	<u>1,755</u>

6. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	Total funds 2020	Total funds 2019
	£	£	£	£
Bank interest receivable	<u>8</u>	<u>–</u>	<u>8</u>	<u>11</u>

THE 82045 STEAM LOCOMOTIVE TRUST
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2020

7. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds 2020	Total funds 2019
	£	£	£	£
Merchandise costs	<u>283</u>	<u>–</u>	<u>283</u>	<u>1,065</u>

8. MARKETING AND ADMINISTRATIVE COSTS

	Unrestricted funds	Restricted funds	Total funds 2020	Total funds 2019
	£	£	£	£
Marketing and related costs	782	–	782	789
Administration	402	–	402	520
Donations	<u>5,000</u>	<u>–</u>	<u>5,000</u>	<u>–</u>
	<u>6,184</u>	<u>–</u>	<u>6,184</u>	<u>1,309</u>

9. STAFF COSTS AND EMOLUMENTS

The total staff costs and employee benefits for the reporting period are analysed as follows:

The average head count of employees during the year was Nil (2019: Nil).

10. TRUSTEE REMUNERATION AND EXPENSES

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

11. TANGIBLE FIXED ASSETS

	82045
	£
COST	
At 1 January 2020	1,162,119
Additions (locomotive construction costs)	32,778
At 31 December 2020	<u>1,194,897</u>
DEPRECIATION	
At 1 January 2020 and 31 December 2020	–
NET BOOK VALUE	
At 31 December 2020	<u>1,194,897</u>
At 31 December 2019	<u>1,162,119</u>

THE 82045 STEAM LOCOMOTIVE TRUST
(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2020

12. STOCKS

	2020	2019
	£	£
82045 merchandise	<u>-</u>	<u>200</u>

13. DEBTORS

	2020	2019
	£	£
Income tax (Gift Aid) recoverable	16,690	18,840
VAT recoverable	633	25,480
	<u>17,323</u>	<u>44,320</u>

14. LOAN

	2020	2019
	£	£
Repayable by instalments after more than 5 years	<u>200,000</u>	<u>200,000</u>

The Trust was granted an unsecured, interest-free loan of £200,000 by a member during the year, to be used as needed solely for the construction of 82045. Repayment will not commence until after completion of the locomotive and its entry into revenue-earning service.

15. ANALYSIS OF CHARITABLE FUNDS

Unrestricted funds

	At 1 Jan 2020	Income	Expenditure	Transfers	At 31 Dec 2020
	£	£	£	£	£
General funds	<u>759,333</u>	<u>73,533</u>	<u>(6,467)</u>	<u>(184,830)</u>	<u>641,569</u>

	At 1 Jan 2019	Income	Expenditure	Transfers	At 31 Dec 2019
	£	£	£	£	£
General funds	<u>658,457</u>	<u>103,250</u>	<u>(2,374)</u>	<u>-</u>	<u>759,333</u>

Restricted funds

	At 1 Jan 2020	Income	Expenditure	Transfers	At 31 Dec 2020
	£	£	£	£	£
Locomotive boiler, wheels and motion	<u>620,021</u>	<u>69,765</u>	<u>-</u>	<u>184,830</u>	<u>874,616</u>

	At 1 Jan 2019	Income	Expenditure	Transfers	At 31 Dec 2019
	£	£	£	£	£
Locomotive boiler, wheels and motion	<u>567,080</u>	<u>52,941</u>	<u>-</u>	<u>-</u>	<u>620,021</u>

THE 82045 STEAM LOCOMOTIVE TRUST

(Company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2020

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£
Tangible fixed assets	735,368	459,529	1,194,897
Current assets	107,201	415,087	522,288
Creditors less than one year	(1,000)	—	(1,000)
Creditors more than one year	(200,000)	—	(200,000)
Net assets	<u>641,569</u>	<u>874,616</u>	<u>1,516,185</u>

	Unrestricted Funds	Restricted Funds	Total Funds 2019
	£	£	£
Tangible fixed assets	702,590	459,529	1,162,119
Current assets	257,743	160,492	418,235
Creditors less than one year	(1,000)	—	(1,000)
Creditors more than one year	(200,000)	—	(200,000)
Net assets	<u>759,333</u>	<u>620,021</u>	<u>1,379,354</u>