

Class Forty Preservation Society

Annual Report and Financial Statements

Year ended 28 February 2023

Charity number : 326323

Feltons
Chartered Accountants

Birmingham
B1 3JR

Class Forty Preservation Society

Report and financial statements Year ended 28 February 2023

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Class Forty Preservation Society

Reference and Administrative Details

Officers

Honorary President: Richard Bowker CBE

Vice President: Peter Watts

Trustees

C Elverstone	(appointed 23 April 2022)
T Rogers	(appointed 23 April 2022)
G Taylor	(appointed 23 April 2022)
D Peacock	(appointed 23 April 2022 and resigned 30 June 2023)
J Wilson	(appointed 23 April 2022)
S Leighton	(appointed 23 April 2022)
P Cameron	(appointed 23 April 2022)
J Stephens	(resigned 3 March 2022)

Management Committee

Chairman:	C Elverstone	
Treasurer:	S Leighton	
Secretary:	T Rogers	
Other Committee Members:	G Taylor	
	D Peacock	(resigned 30 June 2023)
	A Williams	
	J Wilson	
	P Cameron	
	M Poulter	
	J Stephens	(resigned 3 March 2022)

Bankers

Yorkshire Bank plc	Barclays Bank plc
Fargate	Bury
Sheffield	Lancashire
S1 2HE	BL9 0JN

Independent Examiners

Feltons	Feltons
	8 Sovereign Court
	8 Graham Street
	Birmingham
	B1 3JR

Charity Commission Registered Number:

326323

Class Forty Preservation Society

Report of the trustees Year ended 28 February 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trustees submit their report and financial statements for the year ended 28 February 2023.

Organisational Structure

Honorary president: Richard Bowker CBE

Vice-president: Peter Watts

Management committee

Chairman: Clive Elverstone

Treasurer: Steve Leighton

Secretary: Tim Rogers

Safety Officer & Designated Safeguarding Lead: Graham Taylor

Head of Operations: John Wilson

Head of Commercial and Compliance: Phil Cameron

Appointment of Trustees

Trustees are appointed by the members at the Annual General Meeting.

OBJECTIVES AND ACTIVITIES

Mission Statement

To preserve and restore to full working order class 40 diesel locomotives and promote their heritage to the general public in whatever manner is available and practical.

Class Forty Preservation Society

Report of the trustees (Continued) Year ended 28 February 2023

Achievements and performance

On the 3rd March 2022, the Class Forty Preservation Society (CFPS) Chairman of fourteen years, John Stephens, stood down mainly due to ill health, as well as a response to a small number of CFPS members being unhappy with the CFPS. A Caretaker Chairman, Clive Elverstone was co-opted until the AGM on April 23rd, 2022. The last AGM had taken place in 2019, the delay being caused by the COVID-19 pandemic. Clive had been Membership Secretary from January 2018 and had a good knowledge of the overall operation of the CFPS. John Wilson was co-opted as Secretary, Phil Cameron as Publicity Officer and Steve Leighton as Treasurer. Andy Hardman who had been co-opted into the position of Secretary by the previous committee agreed to stay on until the CFPS AGM to ease the handover process. John Stephens had agreed to complete and take full responsibility for the 2021/22 accounts, assisted by Stephen Ledger who would continue to receive payment for his services until their completion.

The period following the resignation of John Stephens was hectic and managed on a day-to-day basis, although in this period the CFPS were approached by the North Yorkshire Moors Railway (NYMR) and Pathfinder Railtours (PF) to hire D345 on the mainline and the CFPS approached West Coast Railways (WCR) to seek mainline operation during 2022. Everything was put on hold pending the CFPS AGM in April 2022.

The AGM was a reasonably quiet event, with a new eight-person committee appointed by the membership. The previous Chairman, John Stephens had endorsed these appointments with the exception of David Peacock.

Post AGM a new Operating Partnership was agreed with WCR which resulted in a total of three mainline charters being operated by the end of 2022. A new 3-year contract to locate 40106 at the Severn Valley Railway (SVR) was also agreed. 40135 remained out of service at the ELR. The compilation of the 2021/2022 accounts was hindered partly due to the extended period of time it took to transfer control of the Barclays and Virgin Money accounts to the new Trustees and also the new Trustees having no visibility of the financial activity for that period. The final accounts only became available to the new Trustees at the 2023 AGM held on the 28th January 2023 and were presented by John Stephens and Stephen Ledger to AGM attendees. The accounts filing deadline had already been missed by this date. Due to the Trustees having no previous sight of these accounts, submission to the Charity Commission was further delayed until a reasonable understanding of them was attained by the current Trustees. In the event they were filed 57 days late. 2021 was 133 days late and the 2020 filing was 383 days late.

From the 3rd March 2022 to end date of this reporting period the co-opted Trustees stabilised the CFPS management, governance, finances and reputation, creating a springboard for success in the coming years.

Class Forty Preservation Society

Report of the trustees (Continued) Year ended 28 February 2023

PUBLIC BENEFIT

We have referred to the guidance contained in the Charity Commissions general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

FINANCIAL REVIEW

Total income for the year was £97,324 (2022: £136,535) and total expenditure was £62,731 (2022: £135,045) giving a net surplus in the year of £34,593 (2022: £1,490).

RESERVES POLICY

At the year-end the Society had total reserves of £809,750 (2022: £775,157) of which £Nil (2022: £Nil) were restricted and £809,750 (2022: £775,157) were unrestricted. Included within unrestricted funds is a revaluation reserve totalling £482,183 which arose on the restatement in value of the heritage asset disclosed in note 11.

The Society aims to maintain and increase reserves commensurate with the Mission Statement and Objectives of the Society.

Class Forty Preservation Society

Report of the trustees (Continued)
Year ended 28 February 2023

STATEMENT OF TRUSTEES' RESPONSIBILITY

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales 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 of the charity 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 2019 FRS 102;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in operation.

The trustees are responsible for keeping 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 Charities Act 2011, the Charity (Accounts Reports) Regulations 2008 and the provision of the trust deed. 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.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board on 2 November 2023 and signed on its behalf by:



.....
C Elverstone
Trustee

Independent Examiner's Report to the Trustees of Class Forty Preservation Society

I report to the charity trustees on my examination of the accounts of the charity for the year ended 28 February 2023 which are set out on pages 7 to 16.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material 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 130 of the Act; or
- 2 the accounts do not accord with those records; or
- 3 the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.



David W Farnsworth FCA

For and on behalf of Feltons

Feltons Chartered Accountants

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

7 November 2023

Class Forty Preservation Society

Statement of financial activities (including income and expenditure account) for the year ended 28 February 2023

	Notes	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Income from:					
Donations	2	56,577	-	56,577	46,998
Charitable activities	3	40,747	-	40,747	89,537
Total incoming resources		97,324	-	97,324	136,535
Expenditure on:					
Raising funds	4	19,400	-	19,400	9,829
Charitable activities	5	31,061	-	31,061	115,818
Other	6	12,270	-	12,270	9,398
Total resources expended		62,731	-	62,731	135,045
Net income before transfers		34,593	-	34,593	1,490
Gross transfers between funds	16	-	-	-	-
Net movement in funds		34,593	-	34,593	1,490
Fund balances brought forward At 28 February 2022		775,157	-	775,157	773,667
Fund balances carried forward At 28 February 2023		809,750	-	809,750	775,157

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

Class Forty Preservation Society

Charity number : 326323

Balance sheet as at 28 February 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	10		626		718
Heritage assets	11		680,691		684,400
Investments	12		<u>164</u>		<u>164</u>
			<u>681,481</u>		<u>685,282</u>
Current assets					
Stocks at cost	13	54,245		61,382	
Debtors and Prepayments	14	39,354		94,730	
Cash at bank		<u>50,016</u>		<u>2,157</u>	
		<u>143,615</u>		<u>158,269</u>	
Creditors: amounts falling due within one year	15	<u>15,346</u>		<u>68,394</u>	
Net current assets			128,269		89,875
			<u>809,750</u>		<u>775,157</u>
Funds of the charity :					
Funds					
- Unrestricted	16	327,567		292,974	
- Restricted	16	-		-	
- Revaluation reserve	16	<u>482,183</u>		<u>482,183</u>	
			809,750		775,157
Total funds			<u>809,750</u>		<u>775,157</u>

The financial statements were approved by the Management Committee on 2 November 2023 and were signed on behalf of the Management Committee by:



S Leighton
Trustee

Class Forty Preservation Society

Notes to the financial statements for the year ended 28 February 2023

1. Accounting policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

Class Forty Presentation Society meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially measured at historical costs or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £1.

1.2 Subscriptions

This represents actual monies received during the financial year.

1.3 Fund accounting

General unrestricted funds comprise accumulated surpluses and deficits on the general funds. They are available for use at the discretion of the Management Committee in furtherance of Class Forty Preservation Society's general charitable objectives.

Restricted funds are created when donations are made for a particular area or purpose, the use of which is restricted to that area or purpose. Expenditure is charged to the Statement of Financial Activities when incurred.

1.4 Taxation

As a charity, Class Forty Preservation Society is exempt from tax on income and gains falling within the available tax exemptions to the extent that these are applied to its available objects.

No tax charges have arisen in the charity.

1.5 Income resources

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of general nature are recognised where there is an entitlement, it is probable that the income will be received, and the amount can be measured with sufficient reliability.

Class Forty Preservation Society

Notes to the financial statements for the year ended 28 February 2023 (continued)

1. Accounting policies (continued)

1.6 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs 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 the resources.

Fundraising costs are those incurred in seeking voluntary contributions. Support costs are those costs directly in support of expenditure on the objects of the charity that cannot be allocated to specific activities. These include staff costs, general premises and office expenses, depreciation and costs of governing the charity.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets costing more than £250 are capitalised and included at cost or valuation including any incidental expenses of acquisition.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Plant and equipment	20% straight line
Vans	10% straight line

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

1.9 Heritage assets

Heritage assets are recognised on the balance sheet and initially measured at cost when purchased or if donated, their valuation. Assets are subsequently stated at cost or valuation less accumulated depreciation and accumulated impairment losses.

Acquisitions only arise when donated to the charity or if it is believed that they will further the charity's objectives. Once acquired they will be preserved by the charity in order to keep their historical, artistic, scientific, technological, geographical or environmental qualities to such a high level as to contribute to knowledge and culture. Heritage assets are to be held for the foreseeable future.

Depreciation is provided on the following basis:

Heritage asset – held at cost	50 years straight line
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1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Class Forty Preservation Society

Notes to the financial statements for the year ended 28 February 2023 (continued)

1. Accounting policies (continued)

1.11 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.12 Going concern

The trustees have considered the level of funds held and expected level of income and expenditure for 12 months from authorising these financial statements. These figures show the charity has sufficient cash and reserves to continue operations for the foreseeable future. The financial statement have therefore been prepared on a going concern basis.

2. Donations

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Donations	47,437	-	47,437	37,346
Subscriptions	9,140	-	9,140	9,652
	<u>56,577</u>	<u>-</u>	<u>56,577</u>	<u>46,998</u>

In 2022, of the total income from donations, £46,998 was to unrestricted funds and £Nil was to restricted funds.

3. Charitable activities

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Product sales	8,437	-	8,437	41,110
Loco hire	32,310	-	32,310	47,093
Raffle income	-	-	-	1,334
	<u>40,747</u>	<u>-</u>	<u>40,747</u>	<u>89,537</u>

In 2022, of the total income from charitable activities, £89,537 was to unrestricted funds and £Nil was to restricted funds.

Class Forty Preservation Society

Notes to the financial statements for the year ended 28 February 2023 (continued)

4. Raising funds

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Cost of goods for resale	14,572	-	14,572	5,558
Raffle costs	-	-	-	298
Train hire	1,640	-	1,640	-
Magazine printing	3,188	-	3,188	3,973
	19,400	-	19,400	9,829

In 2022, of the total expenditure for raising funds, £9,829 was to unrestricted funds and £Nil was to restricted funds.

5. Charitable activities

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Loco maintenance	11,025	-	11,025	91,355
Insurance	12,063	-	12,063	3,924
Postage, telephone and stationery	4,302	-	4,302	2,414
Volunteer training and welfare	1,354	-	1,354	-
Bank charges and interest	249	-	249	(3)
Motor expenses	1,002	-	1,002	16,123
Sundry	588	-	588	-
Travelling	1,240	-	1,240	1,082
Depreciation	874	-	874	923
Profit on disposals of assets	(1,636)	-	(1,636)	-
	31,061	-	31,061	115,818

In 2022, of the total expenditure for charitable activities, £115,818 was to unrestricted funds and £Nil was to restricted funds.

Class Forty Preservation Society

Notes to the financial statements for the year ended 28 February 2023 (continued)

6. Other

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Accountancy and bookkeeping	10,740	-	10,740	8,699
Other professional charges	500	-	500	-
Computer expenses	1,030	-	1,030	699
	<u>12,270</u>	<u>-</u>	<u>12,270</u>	<u>9,398</u>

In 2022, of the total other expenditure, £9,398 was to unrestricted funds and £Nil was to restricted funds.

7. Surplus for the year

The surplus for the year is shown after charging:

	Total 2023 £	Total 2022 £
Independent examination fee	1,300	2,020
Depreciation	<u>874</u>	<u>923</u>

8. Locomotive maintenance

	Total 2023 £	Total 2022 £
Opening stock of spares	49,733	49,733
Expenditure - General	<u>11,025</u>	<u>60,220</u>
	60,758	109,953
Less: Closing stock of spares	<u>(53,995)</u>	<u>(49,733)</u>
	<u><u>6,763</u></u>	<u><u>60,220</u></u>

9. Trustees remuneration

During the year no trustees received any remuneration (2022 : £Nil)

During the year two trustees had travelling expenses of £157 reimbursed (2022 : £Nil).

Class Forty Preservation Society

Notes to the financial statements for the year ended 28 February 2023 (continued)

10. Tangible fixed assets

	Plant & Equipment £	Van £	Total £
Cost			
At 1 March 2022	8,197	2,703	10,900
Additions	782	-	782
At 28 February 2023	8,979	2,703	11,682
Depreciation			
At 1 March 2022	7,479	2,703	10,182
Charge for the year	874	-	874
At 28 February 2023	8,353	2,703	11,056
Net book values			
At 28 February 2023	626	-	626
At 28 February 2022	718	-	718

11. Heritage assets

	Assets held at cost 2023	Assets held at valuation 2023	Total 2023
Carrying amount			
At 1 March 2022	9,400	675,000	684,400
Disposals	(3,709)	-	(3,709)
Depreciation	-	-	-
	5,691	675,000	680,691

12. Investments

Investments represent the cost of acquisition of the whole of the issued share capital of CFPS Mainline Limited, a company registered in England and Wales, and also the formation costs of the company. The company had no transactions in the year and the net liabilities at 28 February 2023 were £164 (2022: £164).

Class Forty Preservation Society

Notes to the financial statements for the year ended 28 February 2023 (continued)

13. Stocks

Stock has been valued at the lower of cost and net realisable value and comprises:	2023	2022
	£	£
Goods held for resale	250	11,649
Spares	53,995	49,733
	<u>54,245</u>	<u>61,382</u>

14. Debtors

	Total	Total
	2023	2022
	£	£
Inter-company balance	376	376
Gift aid	32,540	24,540
Trade debtors	6,438	66,769
VAT	-	3,045
	<u>39,354</u>	<u>94,730</u>

15. Creditors - amounts falling due within one year

	2023	2022
	£	£
Creditors from operations	2,049	50,945
Accruals	11,929	17,449
VAT	1,368	-
	<u>15,346</u>	<u>68,394</u>

16. Analysis of funds

	Balance at 1 March 2022	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 28 February 2023
	£	£	£	£	£
Unrestricted funds					
General funds	292,974	97,335	(62,742)	-	327,567
Revaluation reserve	482,183	-	-	-	482,183
Total Unrestricted funds	<u>775,157</u>	<u>97,335</u>	<u>(62,742)</u>	<u>-</u>	<u>809,750</u>
Restricted funds					
General funds	-	-	-	-	-
Total funds	<u>775,157</u>	<u>97,335</u>	<u>(62,742)</u>	<u>-</u>	<u>809,750</u>

Class Forty Preservation Society

Notes to the financial statements for the year ended 28 February 2023 (continued)

17. Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Tangible assets	626	-	626	718
Heritage assets	680,691	-	680,691	684,400
Investments	164	-	164	164
Current assets	143,615	-	143,615	158,269
Current liabilities	(15,346)	-	(15,346)	(68,394)
Total net assets	809,750	-	809,750	775,157

18. Related party transactions

As described in note 12, CFPS mainline Limited is the Society's wholly owned subsidiary company.

Balances due from CFPS mainline Limited	2023 £	2022 £
Loan account	376	376

Donations totalling £680 were received from three trustees during the year (2022 : £734 from four trustees).

At the year end £10,629 (2022: £13,629) was due to John Stephens, a trustee (resigned 3 March 2022). This has since been fully repaid.