

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

England & Wales · Charity number 1063676

Details

Other names M&GN; SOCIETY, THE POPPY LINE TRUST

Status Registered

Legal form Charitable company

Company number [03355411](#)

Registered 1997-07-30

Register [View on the Charity Commission register](#)

Contact

Address Sheringham Station
Station Approach
Sheringham
Norfolk
NR26 8RA

Phone 01263 836652

Email members@mandgn.org

Website www.mandgn.org

Activities

Objects: TO ADVANCE PUBLIC EDUCATION BY THE ACQUISITION, RESTORATION, PRESERVATION AND EXHIBITION OF RAILWAY LOCOMOTIVES, CARRIAGES, ROLLING STOCK, EQUIPMENT, ARTEFACTS, DOCUMENTS AND RECORDS, TOGETHER WITH APPROPRIATE LAND, BUILDINGS AND STRUCTURES AND IN PARTICULAR THOSE OF THE FORMER MIDLAND AND GREAT NORTHERN JOINT RAILWAY.

Activities: A professional charitable organisation, adding historical value to the knowledge of the general public about the Midland and Great Northern Joint Railway and heritage railways in general, in a manner which is both educational and fun for the members and the general public.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Services, Other Charitable Activities
- **What:** General Charitable Purposes, Education/training, Environment/conservation/heritage
- **Who:** Other Defined Groups, The General Public/mankind

Geography

- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-01-31	£304,536	£585,946	-	-
2024-01-31	£581,001	£449,950	£3,287,717	0
2023-01-31	£314,514	£207,023	-	-
2022-01-31	£321,361	£169,575	-	-
2021-01-31	£276,515	£265,368	-	-

Trustees

Name	Role	Appointed
Martin Robert Blee BFP ACA	Chair	2021-10-06
David James Ballard		2022-12-03
KEITH ROLAND ASHFORD		2012-01-28
NIGEL ANTHONY SCARLETT		2001-10-13
Stephen Brian Squires		2025-09-27
Stephen Robert Allen		2025-09-27
TONY DEWEY		1999-01-30

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

England & Wales - Charity number 1063676

Accounts

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY



Registered Office: Sheringham Station, Sheringham, Norfolk, NR26 8RA
A Company Limited by Guarantee Registered No. 03355411
Registered Charity No. 1063676

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

**Reference and Administrative Details
Company Information**

Board of Trustees (Directors)

M R Blee (Chairman)
G Wigglesworth
K R Ashford
D J Ballard
A E Dewey
S D Roberts
N A Scarlett

Company Secretary

A E Dewey

Registered Office

Sheringham Station
Sheringham
Norfolk, NR26 8RA

Registered Company Number

03355411

Registered Charity Number

1063676

Working Names

M&GN Society
M&GN Joint Railway Society
M&GNJRS

Auditors

Peters, Elworthy & Moore
Salisbury House
Station Road
Cambridge, CB1 2LA

Bankers

Lloyds Bank plc
Norwich Gentlemens Walk
PO Box 99, BX1 1LT

Barclays Bank plc
PO Box 1, Banbury
Oxon, OX16 8PS

CCLA Investment Management Limited
One Angel Lane
London, EC4R 3AB

Paypal
Ballycoolin Industrial Estate
Dublin 15, Ireland

SumUp Payments Limited
32-34 Great Marlborough Street
London, W1F 7JB

Stripe Payments Europe Limited
The One Building
1 Grand Canal Street Lower
Dublin 2, Ireland

Investment Managers

Cazenove Capital
1 London Wall Place
London, EC2Y 5AU

Insight Financial Advisors
7a Alkmaar Way
Norwich International Business Park
Norwich, Norfolk, NR6 6BF

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

REPORT OF THE BOARD OF TRUSTEES

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Midland and Great Northern Joint Railway Society (the Charity/Society) for the year ended 31 January 2025. The Trustees confirm that the annual report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition - October 2019).

The Charity qualifies as small under section 383, so the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 is not required.

Objectives and Activities

Objectives

The Society's principal objective is to advance public education by the acquisition, restoration, preservation and exhibition of locomotives, rolling stock and other railway artefacts and, in particular, those of the former Midland & Great Northern Joint Railway (M&GNJR) and its antecedent and successor companies, as follows:

- a) Ownership, restoration and operational display of locomotives appropriate to the Society;
- b) Ownership, restoration and operational display (where practicable) of historic carriages and wagons;
- c) Assisting other organisations to restore and display locomotives, rolling stock and other railway structures and artefacts, through the provision of financial support, technical advice or such other appropriate support;
- d) Ownership and display of museum collections that inform and educate;
- e) Assisting other organisations with an interest in educating about railway history, through the provision of advice, access to and loan of artefacts in the Society's possession and other appropriate support;
- f) The North Norfolk Railway (NNR) to be the Society's preferred (but not necessarily exclusive) partner for pursuing the aims in a) to e) above; and
- g) Maximise the Society's revenue earning capability in order to support the above aims.

Its vision for the foreseeable future is to focus on the geographical area of the M&GNJR and other aspects of East Anglian railway history by means of this mission statement, as contained in the 2022-2026 Strategic Plan which will be reviewed as a result of the capital restructuring of the NNR plc as detailed below.

Main Activities

The Society's main activities undertaken in relation to the above purposes are as follows:

- a) acquisition, restoration, preservation and exhibition of the railway items mentioned above principally utilising the facilities of the NNR which assists in these being achieved;
- b) scheduled running of locomotives, carriages and rolling stock for public access, mainly on the NNR but occasionally at other locations;
- c) where possible contracting restoration and maintenance works to the NNR's engineering facilities at Weybourne but using outside specialist contractors or volunteers where considered appropriate;
- d) operating the *William Marriott Museum* (WMM) at Holt for the display of artefacts and documents;
- e) operating a shop selling, amongst other items, railway publications of an historical and educational nature and increasingly, those produced in-house; and
- f) awarding grants to the NNR and others to support projects that are consistent with the Society's principal objective.

Main Activities to Further the Society's Purposes for the Public Benefit

The Society is based at the NNR, whose aims are to operate a heritage railway for the benefit of the public, currently 5¼ miles from Sheringham via Weybourne to Holt. Train services normally operate on around 250 days of the year for public enjoyment. This enables members of the public to view the Society's preserved steam and diesel locomotives in operation, travelling in carriages owned by the NNR and the Society's preserved operational LNER Quad Art Set and vintage carriages.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

REPORT OF THE BOARD OF TRUSTEES – Continued

Objectives and Activities (continued)

Main Activities to Further the Society's Purposes for the Public Benefit (continued)

The NNR's engineering facilities where Society locomotives and rolling stock are restored and maintained are not generally open to the public for safety reasons but viewing can be arranged, and guided tours are offered at some special events, including Members' Weekend which is held every October. The *William Marriott Museum*, named after the M&GNJR's chief engineer, located at Holt houses the Society's extensive collection of railway objects, artefacts and records. It is open to the public every day when the railway is running and offers free entry to visitors arriving by train. The Railway Cottage at Holt is also an attraction in its own right by re-creating how it may have presented in 1935.

These activities help to educate and entertain the general public as part of the development and history of railways. They are complemented by the educational reading material in the museum and the publications about railways which are available to purchase from the Society's Weybourne shop, the museum and online.

Public Benefit

The Society aspires to be a professional charitable organisation, adding historical value to the knowledge of the general public about the M&GNJR and East Anglian railways in general, in a manner which is both educational and fun for its members and the general public. In the exercise of its powers in relation to its objectives and missions, the Board of Trustees has paid due regard to the published guidance from the Charity Commission on the operation of the Public Benefit requirements under the Charities Act 2011.

Volunteers

The Society relies entirely on volunteers to achieve its aims and objectives and has no paid staff. Volunteers are involved with restoration and maintenance projects, running the Society's museum, sales and fund-raising, marketing, finance, governance and administration. Volunteers of the Society are normally members who pay an annual subscription, often supplemented by regular or one-off donations to their choice of fund and many are also volunteers for the NNR.

Achievements and Performance

Summary of the Main Achievements

Conservation – Locomotive and Diesel Multiple Unit Carriage Overhauls

During the year, work has progressed on the overhauls of the B12/3 and *Ring Haw*. The boilers are at NNR's Engineering Works at Weybourne, whilst the *Ring Haw* chassis and B12/3 chassis and tender are at outside contractors. The B12/3 tender was returned to Weybourne in December 2024 for storage, having received undercoat and the first topcoat of Apple Green paint. Note 29 to the Financial Statements gives details of the contracts and costs to date. Ongoing boiler overhaul costs of £5,784 have been capitalised but not depreciated in the year whilst work is ongoing to complete the boiler overhauls.

The Class 101 DMU is undergoing an identity change due to a cosmetic conversion of the exterior of the units to represent one of the extinct Met-Camm Lightweight units, meaning that the unit will be able to recreate the last passenger train to run along the NNR in commercial service. Trailer car E56062 re-entered traffic in February 2025 in its new guise under new number E79263, with power car E51228 awaiting a bodywork overhaul, after which it will re-enter traffic as E79047 to complete the new set.

Conservation – Coaching Stock and Wagon Restoration.

The *Joint Heritage Coach Fund* volunteers' team continued to make steady progress in the workshop on Thompson BSF 1866, with Gresley Brake Third Open (BTO) E43556 being overhauled at an outside contractor. Once the BTO has been delivered back to Weybourne, it is planned to send the Gresley Tourist Third Open (TTO) E52256 to the contractor for restoration for eventual use as part of the regular coaching rake used by the NNR. As part of the NNR's 'one in, one out' policy for coaching stock, approval was given at the 2023 AGM for the disposal of LNER BG 70621 as the original intentions for use were no longer feasible. As there was no serious interest in the coach, in September 2024 the Society entered into an Operating and Maintenance Agreement with the NNR to use the coach as a storage and packing coach for the Santa Special trains, with the coach being restored under a

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

REPORT OF THE BOARD OF TRUSTEES – Continued**Achievements and Performance (continued)***Summary of the Main Achievements (continued)*Conservation – Coaching Stock and Wagon Restoration (*continued*)

partnership arrangement between the Society, NNR and several other parties. Society volunteers at Holt, known as ‘Team Pete’ have completed overhauls of the Fruit D ‘Passfruit’ Wagon W92097W and the BR 12-ton Pipe Wagon B740916, and have now turned their attention to the Vintage Train carriages starting with the M&GN Picnic Saloon No.3, to be followed by the G.E. Brake Coach 853.

Conservation - Operations.

The Railway opened for February 2024 half term and remained so up to the planned closure in early January 2025, with total steam locomotive running days of 62 (2024: 85), and total diesel running days of 87 (2024: 136).

The J15/Y14 operated on 21 days (2024: 84) and was withdrawn from service in April 2024, three months before the expiration of its ten-year boiler certificate, due to problems with five stays in the firebox. The repairs to the boiler of the WD were finally completed in November 2024 resulting in the locomotive operating on festive trains in December 2024 and January 2025 covering 6 days (2024: 1). *Wissington* operated on 35 days (2024: 0) hauling the vintage carriage set which has proven to be very popular.

For the diesels, Class 31 operated on 61 days (2024: 84), including shunting and trip workings. The installation of the new steam heating system was completed during the year, with training on its use is to be carried out in 2025, to enable its carriage heating facility to be available for services over the 2025-26 festive period. Of our three shunters, D3935 is operating as Weybourne Yard pilot and D3940 as Sheringham Station Pilot. 12131 is currently being worked on by a team of ‘Wednesday Volunteers’ to restore it to an acceptable and robust operating condition to meet the requirement of the agreement between the Society and the NNR to ensure that at least two of the shunters are available in full working order for use by the NNR.

The Class 101 DMU 2 car set was split for maintenance in early 2023, with the trailer car E56062 requiring extensive bodywork repairs and therefore achieving no usage in the year (2024: 1), whilst the power car E51228 operated on 26 days (2024: 51), before being withdrawn for a bodywork overhaul.

The Society’s unique Quad Art Set 74 celebrated its 100th year in service in 2024, whilst as detailed above, the Vintage Carriage set is regular in operation with the individual carriages currently being overhauled in turn.

Education – The *William Marriott Museum* was open for a full season from February – October 2024, visitor numbers were 18,342, including 170 non-travelling visitors (February to October 2023: 17,109). The Railway Cottage at Holt also opened for a full season in 2024 over the same period. Visitor numbers were in the region of 15,000 (February to October 2023: under 14,000). During the year, one of the garden sheds has been re-purposed and made into a 1930s laundry room where the recently restored period washing machine and other artefacts can be displayed. *Joint Line* continued to maintain its high-quality standards as a journal under the editorship of Dave Ballard, celebrating its 200th edition with the Spring 2024 issue. The issue had a black and white design that graced the first 19 covers and contained a comprehensive index of the main articles published over the 200 issues, split into nine subject sections. The Society continued to support the engineering apprentice at Weybourne as he entered his final year of a three-year term and also agreed to fund a further engineering apprentice who started his three-year term in September 2024.

Membership – The number of primary memberships 2,370 at January 2025 compared to 2,435 at January 2024, a decrease of 65 or 2.7%. Historically, memberships increase as the new running season starts, so the trustees are not unusually concerned about this. Membership subscriptions were increased from 1st August 2024, for the first time since 1st April 2019. During the Covid pandemic, the Society was grateful for members who renewed their subscriptions when the railway wasn’t running, and with the increase in inflation that followed, subscriptions were held at pre-Covid levels to encourage membership retention. The trustees have announced that annual increases in membership rates will continue, together with the removal of the senior category, with effect from 1st August 2025, to bring the Society membership categories in line with the NNR’s ticketing policy.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

REPORT OF THE BOARD OF TRUSTEES – Continued**Achievements and Performance (continued)**

Primary Purpose Trading - Weybourne bookshop, eBay shop and own publications increased turnover by 13% to over £59k (2024: £53k). This reflects the first full trading year of the bookshop extension, 'The Sidings', situated in the PMV in the bay platform at Weybourne. Once again, the bookshop was opened during the NNR Santa Specials, giving an additional attraction at Weybourne for passengers. eBay sales for the year were in excess of £10k, showing how valuable an online sales presence is for the Society.

Grants – During the year, two grants were awarded to the NNR, £3,850 for the refurbishment of the Holt Down Section signal (work completed and grant paid over in April 2025) and £85,000 for the employment of an engineering apprentice for the three-year period from September 2024 to August 2027. The award of the apprentice grant was approved by the trustees in conjunction with their plans for the overhaul of the J15/Y14. Rather than award the overhaul to external contractors which would incur significant transport costs as well as profit for the contractors, the light overhaul of the frames and the tender will be carried out by the NNR at Weybourne, whilst the boiler overhaul will be contracted out. This will enable the NNR apprentices to gain experience on the overhaul that they would otherwise not be able to do, which will result in new skills being learnt for the future benefit of the Society and the NNR. The grant of £13,001 awarded to the NNR in 2023 for life extension work on Sheringham West Signal Box, has not yet been paid due the deferment of the work until at least February 2026.

Financial Review

The results for the year are set out in the attached financial statements from page 15 onwards. Total incoming resources amounted to £304,536 (2024: £581,001) which, after total expenditure of £585,946 (2024: £449,950,) and unrealised investment gains of £87,876 (2024: £11,237), resulted in net expenditure before transfers of £193,534 (2024: net income £142,288). At the end of the period, the Society had net assets of £3,094,183 (2023: £3,287,717).

The reduction in total income is due mainly to a reduction in legacies received in the year of £265,229. During the year two legacies amounting to £29,029 were received with no restriction on their use. The trustees have designated this amount to the Special Projects Fund, until such time as an appropriate project can be identified. The increase in expenditure arises from the awarding of the £85,000 apprenticeship grant to the NNR, together with further significant expenditure on locomotive and carriage overhauls. The resulting net expenditure for the year is therefore due to expenditure of funds received and accounted for as income in previous years. Due to the liquidation of the Cazenove investment portfolio, as stated on note 15, the trustees are confident that the Society holds sufficient readily available cash to complete the locomotive and coaching stock overhauls currently being carried out.

The Steam Locomotive Legacy continued to make gains during the current financial year. As stated in note 15 to the Financial Statements, just before the year end the decision was taken to liquidate the investment with Cazenove, realising £343,956 which currently sits in the Barclays current account. The current investments now total £664,764 at the year end. Realised and unrealised gains, net of losses, and interest earned on the portfolio were £116,911 during the year, with portfolio management charges of £5,460.

General Fund is the sole purely unrestricted fund. The income amounted to £112,259 with expenditure of £114,299 and net transfers to other funds of £180 (see notes 20 and 23), resulting in General Funds decreasing by £2,220 to £245,198 at 31 January 2025. Members' subscriptions raised £66,733 towards the Society running costs of £107,745 including *Joint Line*, asset insurance, premises, equipment, storage, administration and governance. Weybourne shop contributed £6,325 gross margin from sales of purchased goods. Donations (including Gift Aid), bequests, museum entry fees, interest received, and sundry income produced £32,647.

Designated funds have purposes determined by the Board, but these could be changed if considered appropriate. Because of this, they are classified as unrestricted in the Statement of Financial Activities and on the Balance Sheet. Details of these funds, their income and expenditure, balances and purposes are shown in note 21.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

REPORT OF THE BOARD OF TRUSTEES – Continued

Financial Review (continued)

Restricted funds are for specific purposes enabling donors, who provide the majority of the income, to direct their donations to the funds in the knowledge they will only be spent on the specified purpose. Details of these funds are shown in note 22. The majority of funds are for locomotives and carriages and wagons restoration and maintenance but also include a museum operating fund (which receives visitors' donations), a fund for developing Holt Goods Yard (also receives donations), a fund for the Heritage Lottery funded carriage sheds (the expense being the depreciation of the sheds' costs) and a fund for small grants (which receives donations).

Endowment Fund holds no cash and represents the face value of donated NNR shares and the acquisition cost of heritage assets.

All funds maintained positive balances at 31 January 2025 (2024 all positive).

Reserves Policy and Going Concern

The Board of Trustees is aware of the need to maintain as a minimum sufficient unrestricted free reserves to meet ongoing direct and administrative expenditure for a period of at least 12 months. At 31 January 2025 the balance on General Fund is £245,198 of which approximately £212,000 is represented by free reserves. Together with approximately £291,000 free reserves in designated funds, this is more than adequate for the Society's average annual running costs referred to above and so the Board considers its minimum free reserves policy is being achieved, and that the Society remains a going concern.

However, the Board is also aware of the need to generate additional unrestricted free reserves to help meet the costs of specific restoration and ongoing maintenance projects when there are insufficient specific funds. In the past the General Fund has provided funds towards steam loco overhaul costs, and asset purchases if other funds are unavailable.

Investment Policy

Cash which may be required at short notice is held in current and deposit accounts with the Society's banks except for that not required in the immediate short term which is deposited with CCLA Investment Management Ltd in its COIF Charity Funds. The Board considers this to be the most suitable place to safeguard such funds. However, with the receipt of the large legacy in 2019-20, the trustees reviewed the policy for market investments and sought appropriate investment advice. The new policy was adopted by the Board in their meeting on 21 September 2019. The suitability of the Society's investments is reviewed with the fund managers annually, and the decision to liquidate the Cazenove Investment portfolio in January 2025 was as a result of such a review.

In formulating the policy, the Board had regard to the guidance given by the Charity Commission. A summary of the policy is as follows:

- Objectives - A target annual investment return of not less than 2% above the annual rate of inflation;
- Risk - Cautious, return as above and at least 60% of funds in assets with low to medium risk attached, diversified by asset class and fund manager with not more than 35% of funds invested in a single investment;
- Timeline - Not expected to liquidate in the short term, say less than three years; and
- Management of Investments - An Investment Committee comprising three Trustees to give instructions to investment/fund managers, monitor the investments' performance and report to the Board.

Other investment is in NNR shares and bonds which are explained elsewhere in this report.

Future Developments

The Society has a 5-year Strategic Plan which is reviewed annually by the Board of Trustees. The 2022-26 Plan is due for review as a result of the capital restructuring of the NNR plc as detailed below.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

REPORT OF THE BOARD OF TRUSTEES – Continued**Structure, Governance and Management***Governing Document and Constitution*

Midland and Great Northern Joint Railway Society ('the Society') is a charitable company limited by guarantee, incorporated on 17 April 1997 and registered as a charity on 30 July 1997. The company was incorporated under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Each principal member of the Society is, therefore, a member of the company and has a right to attend and vote at company general meetings. In the event of the company being wound up each member undertakes to contribute an amount not exceeding £1.

Recruitment and Appointment to Board of Trustees

Under the company's Memorandum and Articles, the directors are known as members of the Council of Management or Governing Body. The 2012 Strategy Plan introduced the designation Board of Trustees. The articles require all Board members to be members of the company. The Board has power to appoint any person to be a member of the Board and any member (of the Board) so appointed may hold office until the following Annual General Meeting and shall then be eligible for re-election. Members of the Board aged 70 or over are subject to annual re-election. Apart from these and those retiring by choice, one-third of the Board is subject to re-election on an annual basis.

The Board of Trustees is always mindful of the need to maintain skills, knowledge and commitment on the Board and is alert to potential new candidates. When suitable candidates become available, their attributes are considered and where appointment is appropriate and desirable, a vote is taken by the Board. Most candidates are generally already known and have usually held a volunteer role before being elected; however, the Board are looking to advertising externally for trustees with specific experience in the areas of fundraising and legal matters.

Organisational Structure and Decision Making

The Board of Trustees manages the Society. Board members are elected for their knowledge and/or expertise and each has specific unpaid executive responsibilities. The Board meets at least 6 times a year. In between meetings, matters requiring the Board's authorisation are dealt with by email and/or telephone and then ratified and minuted at its next meeting. Board members have responsibilities for projects and activities and have decision-making and spending authorities within parameters and budgets approved by the Board.

As the Society is entirely voluntarily run, it has no Chief Executive Officer, but the Chairman and Treasurer, are regarded as senior staff and comprise an informal Executive Board and consult with the appropriate Trustee to deal with relevant matters as required. All trustees are consulted on major decisions by email with decisions ratified and recorded at the next Trustee Board meeting.

Risk Management

The Society's policy when carrying out a project is that there must be sufficient expectation that it will be able to meet all costs from existing funds or new donations, appeals and/or grant applications. No project is allowed to proceed without the Board of Trustees being reasonably satisfied that suitable funds can be or have been raised. The Board also requires regular written reports on progress and ongoing funding of projects.

The Society uses the operations of the NNR as a venue for public exhibition of its assets and provision of facilities for restoration and storage. The Board feels that the level of involvement and general co-operation between the two organisations has justified its investment and reduced the risk of commercial failure.

The Board is responsible for safeguarding the Society's assets and so ensures that relevant levels of insurance cover are provided where appropriate. The trend has been and will continue to be one of increasing cost and the Society jointly insures its risks with the NNR to ensure that there are no gaps or duplication in cover across the two organisations. The cover held by the Society is reviewed annually and approved by the Board.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

REPORT OF THE BOARD OF TRUSTEES – Continued

Structure, Governance and Management (continued)

Risk management (continued)

Wherever possible, liability for the protection of Society assets is passed to users and borrowers of assets under formal running/display agreements. The Society strongly encouraged the formal locomotive inspection documentation, schedules and examinations introduced on the NNR (mainline standard A, B and C exams) in order to help safeguard the condition of its operational locomotives.

The Board is aware of the membership's ageing profile and seeks to involve younger members at Board level and in restoration projects to help deliver a secure membership base for the future. During the year, complimentary membership of the Society, together with an electronic copy of *Joint Line* has been offered to all members of the NNR's Youth Development Club, with a view to them becoming Society members on leaving the Club.

The Board considers from time to time the major risks to which the Society may be exposed and where possible takes action or introduces procedures to mitigate those risks. The situation is kept under review.

Relationships with related parties

Under the terms of the Society's Memorandum of Association, it has the power to subscribe for shares, stocks, debentures or other securities of any other company, enabling it to invest monies not immediately required for furtherance of its objects in such investments, securities or property as the Board may consider fit.

Shares have been subscribed for in the NNR, which is not a charity, as part of the strategic alliance between the two organisations. The Society, which is the major shareholder, is able to appoint up to three Board members to the NNR Board and has other members on strategic committees which helps to strengthen the partnership. This investment has been made purely for the purpose of assisting that company to enhance facilities and equipment, creating a more secure and appropriate base for the Society's assets and a venue to enable the Society to exhibit its assets to the public. No financial return is anticipated as the NNR does not have authority under its Articles of Association to pay dividends. However, investments in NNR Bonds, as detailed in note 15, for a similar purpose do earn interest.

The Society continues to support by other means, e.g. grants, specific heritage projects undertaken by the NNR which, in the opinion of the Board of Trustees, are in line with the Society's charitable activities and objectives.

The Society and NNR are related parties and details of transactions etc. are shown in note 16 to the accounts.

The current method of 'investment' provides the following non-monetary benefits:

- influence at the NNR Board level through involvement of our nominated representatives;
- improved relationships between the two organisations, enabling them to progress the same strategic aim of developing the railway between Sheringham and Holt as a live working heritage museum; and
- the Society's continued use of NNR's facilities for storage, restoration and maintenance of its assets.

Over time, the investment has aided the provision of a permanent home for the Society's other equipment, artefacts, documents and records, enabling more of these to be publicly exhibited than had previously been possible due to the lack of adequate display facilities. Thus, the investment continues to be particularly relevant to the Society in meeting its charitable aims although without any dividend or distribution return.

The Society also owns 100% of the issued capital in Midland & Great Northern Heritage Ltd, which was set up as a wholly owned subsidiary for non-charitable trading activities. At the date of publication of the financial statements the company was not trading.

Fundraising Activities

Society Trustees are legally responsible for the Society's fundraising activities and are committed to comply fully with the Charity Commission guidance CC20 on the duty of Trustees to have oversight of fundraising practices.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

REPORT OF THE BOARD OF TRUSTEES – Continued

Fundraising Activities (continued)

Society members are encouraged to donate to Society funds through articles and advertisements in *Joint Line*. Members of the public travelling on the NNR are invited through leaflets displayed there to become Society members or to contribute to the various funds which support our heritage assets and charitable activities. The Society website, through which our eBay shop operates, also details ways in which supporters can raise funds for the Society by using easyfundraising when they shop online with various retail sites. The Society does not cold call or make public or static collections and has not used the services of a professional fundraiser or commercial participator during the year. All funds raised are used to enable the Society to undertake activities in pursuit of its charitable objectives, and if given for a restricted purpose recorded as such and only used for that purpose.

All fundraising activity by the Society is monitored by the Trustees, who are not aware of any failure to comply with the Fundraising Code of Practice. No complaints about our fundraising were received during the year.

Responsibilities of the Board of Trustees

Company and charity law requires the Board of Trustees to prepare financial statements for each financial year. Under that law the Board has elected to prepare the financial statements in accordance with Generally Accepted Accounting Practice in the UK and Republic of Ireland and applicable law. The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of the incoming resources and application of resources, including income and expenditure, of the charitable company for the financial year. In preparing those financial statements, the Board is required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the current Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Board of Trustees is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Board is 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. Finally, the Board is responsible for the maintenance and integrity of the corporate and financial information included on the Society's website.

Members of the Board of Trustees

Members of the Board of Trustees, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year to 31 January 2025 were:

K R Ashford	S D Roberts
D J Ballard	N A Scarlett
M R Blee – Chairman	G Wigglesworth -Vice Chairman
A E Dewey - Treasurer and Company secretary	

Pursuant to Article 37, A E Dewey, S D Roberts and N A Scarlett, being age 70 or over at the forthcoming Annual General Meeting, are subject to annual re-election, and offer themselves for re-election at that meeting.

Pursuant to Articles 36 and 38 one-third of the remaining directors, M R Blee, retires and being eligible offers himself for re-election at the forthcoming Annual General Meeting.

As at 31 January 2025, M R Blee, G Wigglesworth and A E Dewey represented the Society on the NNR Board.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

REPORT OF THE BOARD OF TRUSTEES – Continued**Members of the Board of Trustees (continued)**

The Society insures against risks to its assets and the various aspects of its activities by way of joint policies with the NNR. These include directors, officers and trustees' liability, including professional indemnity, cover and the estimated indemnity premium for Society board members is £240 (2024: £240), being a proportion of the total premium of £2,196 (2024: £2,196).

Independent Examiners/Auditors

Peters, Elworthy & Moore (PEM) were appointed Independent Examiners at the 2024 Annual General Meeting until the conclusion of the next AGM and the Trustees were authorised to fix their remuneration. When it became apparent that an audit would be required for the financial year ended 31st January 2025, PEM were appointed Auditors by the Trustees at their Board Meeting in January 2025. PEM will be proposed for reappointment at the forthcoming Annual General Meeting in accordance with section 489 of the Companies Act 2006.

Future Relationship with the North Norfolk Railway

At their March 2024 meeting, the Board of NNR plc adopted a Fundraising Strategy proposing changing the capital structure of the Company, in order to gain access to funds and cost savings not currently available to them as a Public Limited Company. The Directors agreed that a closer legal relationship with a registered charity would be advantageous to achieve this aim and approved an approach to the Society to invite them to take effective control of NNR plc. This was approved by the Society Trustees, as it would help stabilise the financial future of the NNR.

As detailed in note 31, from 1st February 2025, the Society achieved 100% voting control of the North Norfolk Railway plc as a result of the resolutions passed by the NNR's ordinary shareholders at an Extraordinary General Meeting held on that date. A Collaboration and Services Agreement between the two organisations is currently being discussed by both Boards, with a desire to have this signed by 31st January 2026. It is envisaged that the Society will set the strategy and annual objectives for the NNR, who will remain responsible for the day-to-day running of the railway and all trading activities. Whilst this agreement is being discussed, action is already being taken to bring the two organisations closer.

From 1st March 2025, the Society has leased new offices which will be occupied by both the Society and NNR staff. The Society is primarily responsible for all costs associated with the building, including an upgrade of the IT structure and equipment to allow a closer working relationship between staff, as well as reducing costs due to business rates and IT discounts available to the Society as a charity. Plans are underway for the integration of the general and financial administration of the Society and the NNR to further reduce costs and improve efficiency. Recruitment is currently underway for the appointment of a Fundraising Officer who will be responsible for increasing non-operating income across both organisations. Grants are becoming increasingly more available to charitable bodies only, so these will be applied for in the name of the Society and used by the appropriate organisation. For those members of the public who wish to regularly support 'The Railway', membership of the Society has been the only method. The widening of the membership offering is under discussion to increase such income, not directly associated with the operation of train services. The public image of 'The Railway' is being discussed to achieve a common image for both organisations covering communications, both printed and online, the first step being the Society's Spring 2025 edition of its magazine *Joint Line* now being described on its cover as the 'Journal of the M&GN Society and North Norfolk Railway'.

Further developments will be regularly reported to Society members and the public as appropriate, with a detailed update being presented to the Society and NNR AGMs in July 2025.

Martin R Blee

M R Blee
Chairman

17 May 2025

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY**Opinion**

We have audited the financial statements of Midland and Great Northern Joint Railway Society (the 'charitable company') for the year ended 31 January 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2025 and of its incoming resources and application of resources, including its income and expenditure 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charitable company'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 other information comprises the information included in the Trustees' Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY (Continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes 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 charitable company'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.

Auditors' responsibilities for the audit of the financial statements

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 Auditors' 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:

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY (Continued)**Auditors' responsibilities for the audit of the financial statements (continued)**

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with Trustees and other management, and from our knowledge of charity and company law and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charities Act 2011 and taxation legislation;
- in addition, we considered provisions of other laws and regulations which do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid material penalties; and
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, reviewing the minutes of Trustees' meetings and inspecting legal correspondence.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- make enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.
- performed analytical procedures to identify any unusual or unexpected relationships;
- we designed procedures to identify unexpected and unusual journal entries and performed testing to confirm the validity of such postings; and
- we evaluated the assumptions and judgements used by management within significant accounting estimates and assessed whether these indicated evidence of management bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any correspondence with relevant regulators such as the Charity Commission.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY (Continued)

Auditors' responsibilities for the audit of the financial statements (continued)

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Hewett

Michael Hewett (Senior Statutory Auditor)

for and on behalf of
Peters Elworthy & Moore
Chartered Accountants
Statutory Auditors
Salisbury House
Station Road
Cambridge
CB1 2LA

Date: **23 May 2025**

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

**STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JANUARY 2025**

	Note	Unrestricted funds £	Restricted funds £	Endowment fund £	2025 Total £	2024 Total £
Income and endowments from:						
Donations and legacies	3	36,886	30,944	-	67,830	337,280
Other trading activities	4	-	8,328	-	8,328	10,901
Investments & interest receivable	5	20,298	29,440	-	49,738	46,187
Charitable activities:						
Conservation activities	7	43,780	7,000	-	50,780	76,010
Education activities	8	2,142	-	-	2,142	2,115
Membership subscriptions	9	66,733	-	-	66,733	55,056
Primary purpose trading	10	12,879	46,106	-	58,985	53,452
Total income		<u>182,718</u>	<u>121,818</u>	<u>-</u>	<u>304,536</u>	<u>581,001</u>
Expenditure on:						
Raising funds	6	835	9,087	-	9,922	12,145
Charitable activities:						
Conservation activities	7	440,507	65,436	-	505,943	351,519
Education activities	8	4,980	1,147	-	6,127	8,521
Membership	9	53,422	-	-	53,422	61,263
Primary purpose trading	10	7,372	3,160	-	10,532	16,502
Total expenditure		<u>507,116</u>	<u>78,830</u>	<u>-</u>	<u>585,946</u>	<u>449,950</u>
Net (expenditure) / income before investment gains		(324,398)	42,988	-	(281,410)	131,051
Net gains on investments	15	<u>-</u>	<u>87,876</u>	<u>-</u>	<u>87,876</u>	<u>11,237</u>
Net (expenditure) / income before transfers	12	(324,398)	130,864	-	(193,534)	142,288
Transfers between funds	23	222,968	(223,148)	180	-	-
Net Movement in Funds		<u>(101,430)</u>	<u>(92,284)</u>	<u>180</u>	<u>(193,534)</u>	<u>142,288</u>
Total Funds brought forward		810,248	1,806,889	670,580	3,287,717	3,145,429
Total Funds carried forward	20	<u>708,818</u>	<u>1,714,605</u>	<u>670,760</u>	<u>3,094,183</u>	<u>3,287,717</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 18 to 35 form part of these financial statements.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
Company Limited by Guarantee Registered Number 03355411

BALANCE SHEET AS AT 31 JANUARY 2025

	Note	2025 £	2024 £ As restated
Fixed Assets			
Heritage assets	14	533,782	558,867
Tangible assets	14	348,549	360,914
Investments	15	<u>962,207</u>	<u>1,217,035</u>
Total fixed assets		<u>1,844,538</u>	<u>2,136,816</u>
Current Assets			
Stocks		112,864	118,310
Debtors	17	41,069	72,646
Cash at bank and in hand	26	<u>1,264,044</u>	<u>1,079,247</u>
Total current assets		1,417,977	1,270,203
Liabilities			
Creditors: Amounts falling due within one year	18	<u>(82,414)</u>	<u>(100,177)</u>
Net current assets		1,335,563	1,170,026
Total assets less current liabilities		<u>3,180,101</u>	<u>3,306,842</u>
Creditors: Amounts falling due after more than one year	19	<u>(85,918)</u>	<u>(19,125)</u>
Net Assets		<u>3,094,183</u>	<u>3,287,717</u>
Funds of the charity			
Endowment fund	23	670,760	670,580
Restricted income funds	22	1,714,605	1,806,889
Unrestricted funds	20	708,818	810,248
Total charity funds		<u>3,094,183</u>	<u>3,287,717</u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements, which have been prepared in accordance with the provisions applicable to companies subject to the small company regime.

The notes on pages 18 to 35 form part of these financial statements which comprise the Statement of Financial Activities (incorporating Income and Expenditure Account), Balance Sheet, Statement of Cash Flows and Notes thereto.

The financial statements were approved and authorised for issue by the Board of Trustees on 17 May 2025 and signed on its behalf by:

Martin R Blee
M R Blee – Chairman

A E Dewey
A E Dewey – Treasurer

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2025**

	Note	2025 Total £	£	2024 Total £	£
Cash flows from operating activities					
Net cash (expended on) / generated by operating activities	25	(202,042)		141,326	
Cash flows from investing activities					
Dividends, interest and rent from investments	25	47,938		46,187	
Purchase of property, plant and equipment	14	(5,784)		(85,318)	
Proceeds from the disposal of listed investments	15	411,228		77,785	
Purchase of listed investments	15	(63,270)		(75,260)	
		—————		—————	
Net cash from / (used in) from investing activities			390,112		(36,606)
			—————		—————
Change in cash and cash equivalents in the reporting period			188,070		104,720
Cash and cash equivalents at the beginning of the reporting period	26		1,083,048		978,328
			—————		—————
Cash and cash equivalents at the end of the reporting period	26		1,271,118		1,083,048
			—————		—————

The notes on pages 18 to 35 form part of these financial statements

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025**1. Accounting policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Charities SORP (FRS 102) (Second Edition – October 2019) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). The financial statements also comply with the requirements of sections 394 and 395 of the Companies Act 2006, and with the requirements of that Act relating to the financial statements in so far as applicable to the company, and the Charities Act 2011.

During the year, there have been no discontinued activities or new activities acquired.

The financial statements are prepared in sterling, being the functional currency of the Society and rounded to the nearest £1. There are no recognised gains or losses other than those included in net income. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). Other than the unrealised gains or losses on quoted assets, historical cost surpluses and deficits are as recorded in the Statement of Financial Activities.

Going concern

The Board has assessed by means of budgets, forecasts and other information that the Society will have adequate reserves and cash twelve months from the date these accounts are approved to maintain the Society's assets in operational condition. Accordingly, the Board continues to adopt the going concern basis of accounting in preparing these financial statements.

Group accounts

These are the separate financial statements of the company as it is entitled to the exemption under Section 398 of the Companies Act 2006 from the obligation to prepare group accounts.

Fund Accounting

The Society's restricted funds relate to locomotives, rolling stock, museum and educational activities and grants for heritage projects. Restrictions arise when specified by the donor. Where the donor does not specify a particular fund, donations are included in unrestricted funds which are used in accordance with the charitable objects at the discretion of the Board of Trustees. This includes the designation of funds to specific projects, some of which may already be financed partly by restricted funds. Governance costs are charged to the general unrestricted fund. Endowment fund represents investments made by the Society under its Articles of Association, including in heritage assets.

Income

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

Membership subscriptions, which are treated as donations, income from support clubs, shop and other sales and museum entry fees are recognised upon receipt. Locomotive steaming and rolling stock hire fees represent fees earned during the period exclusive of VAT.

Donation income is recognised when received or, before receipt if it becomes reasonably certain that the donation will be received, and the value of the income can be reliably measured. Gift Aid reclaimed is included as received during the period it relates to provided claims have been lodged but not settled after the end of the period.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued**1. Accounting policies - continued***Income (continued)*

part, is only considered probable when the amount can be measured reliably, and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Interest represents income received from bank and COIF deposits, the NNR bond and the steam loco legacy investments. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank. Wholesale educational publishing sales are included at the point of invoicing.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Expenditure is included on an accruals basis, exclusive of any VAT, provided that has been or is expected to be recovered. Costs are allocated to expense headings on a direct cost basis.

Trading costs are those incurred on the Charity's shops and publications. Costs of generating funds comprise costs associated with running the support clubs.

Charitable activities are costs incurred on the Charity's conservation and education activities, including support costs and costs relating to the governance of the Charity apportioned to charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include central costs. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made. The total of grants awarded but not paid at the yearend is categorised as to the date when the individual grants are expected to be paid.

Museum lease

The cost of the museum lease premium is being amortised over fifty years from August 2006 when the museum building first came into use. The lease actually runs for fifty years from 11 April 2008. The costs of museum tenant's improvements are being depreciated over twenty-five years.

Stock

Stock consists of relevant merchandise for sale and exceptional quantities or items of materials or spares for restoration projects and maintenance which have been purchased to secure special items or to gain a price advantage. All stock has been valued at the lower of cost and net realisable value.

In-house produced educational publications are not valued for stock purposes at the end of the year of publication or subsequently as they are considered as 'back issues' with less sales potential. Donated items for sale are not valued upon receipt or at the year-end due to the large volume of items received and which would be onerous to count and value with limited volunteer resources and in any case, most sell fairly quickly, and it is considered that the aggregate value at selling price remains reasonably constant.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued**1. Accounting policies - continued***Cash at bank and in hand*

Cash at bank and cash 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.

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.

Financial instruments

The society only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Estimates and Judgements Policy

In the application of the Charity's accounting policies, Trustees are required to make judgements, estimates and assumptions. The estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Investments

Investments are included at fair value, as notified by the Society's Investment Managers, except for those not listed on a recognised stock exchange and subsidiary undertakings/associates which are included at cost or par value.

Intangible Income

No income is recognised for donated services etc. unless any cost borne by the donor can be determined. No monetary value is placed on the services of volunteers unless a value can be determined such as in grant claims.

Tangible Fixed Assets (including Heritage Assets) and Depreciation

Purchased items are included at cost and donated items are included at no value or cost associated with acquisition. Individual items costing less than £1,000 are not generally capitalised, although exceptional Museum Collection items may be.

Restoration costs of heritage assets are not capitalised as the expense is intended to restore the items to original condition and not enhance or alter them. Steam locomotive boiler overhaul costs have been capitalised as components with effect from 1 February 2012.

Depreciation is only charged on these historic artefacts and items where the carrying value is considered to be greater than the residual value. For operational heritage assets and locomotive boilers, depreciation is provided at the rate of 10% straight line. Other items are depreciated on a straight-line basis as follows: storage facilities 10%, office equipment 33⅓%, shop equipment 10%, museum fittings and equipment 10% and carriage sheds 2%. Annual impairment reviews of all tangible assets, except the Museum Collection, are carried out at the time of preparation of the financial statements and coinciding with the review of sums assured for insurance purposes.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued

2. Status

The Society has no share capital, being a company limited by guarantee incorporated in England and Wales and is a registered charity. Each member in the event of a winding up guarantees to contribute a sum not exceeding £1. Midland and Great Northern Joint Railway Society meets the definition of a public benefit entity under FRS 102.

3. Income from donations and legacies

	2025			2024		
	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
	£	£	£	£	£	£
Donations	5,627	28,784	34,411	5,457	33,445	38,902
Legacies	<u>31,259</u>	<u>2,160</u>	<u>33,419</u>	<u>17,041</u>	<u>281,337</u>	<u>298,378</u>
	<u>36,886</u>	<u>30,944</u>	<u>67,830</u>	<u>22,498</u>	<u>314,782</u>	<u>337,280</u>

4. Other trading activities

	2025			2024		
	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
	£	£	£	£	£	£
Locomotive support club	-	8,328	8,328	-	8,240	8,240
Model railway exhibition	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,661</u>	<u>-</u>	<u>2,661</u>
	<u>-</u>	<u>8,328</u>	<u>8,328</u>	<u>2,661</u>	<u>8,240</u>	<u>10,901</u>

5. Investments & interest receivable

	2025			2024		
	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
	£	£	£	£	£	£
UK quoted investments	-	15,064	15,064	-	14,539	14,539
UK unquoted investments	1,800	8,000	9,800	1,654	8,000	9,654
Bank interest	<u>18,498</u>	<u>6,376</u>	<u>24,874</u>	<u>16,500</u>	<u>5,494</u>	<u>21,994</u>
	<u>20,298</u>	<u>29,440</u>	<u>49,738</u>	<u>18,154</u>	<u>28,033</u>	<u>46,187</u>

6. Expenditure on raising funds

	2025			2024		
	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
	£	£	£	£	£	£
Expenditure						
Locomotive support clubs	-	2,603	2,603	-	2,688	2,688
Model railway exhibition	-	-	-	1,382	-	1,382
Marketing & fundraising	774	1,024	1,798	1,809	788	2,597
Investment management charges	-	5,460	5,460	-	5,064	5,064
Support costs (note 11)	<u>61</u>	<u>-</u>	<u>61</u>	<u>414</u>	<u>-</u>	<u>414</u>
	<u>835</u>	<u>9,087</u>	<u>9,922</u>	<u>3,605</u>	<u>8,540</u>	<u>12,145</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued

7. Conservation activities

	Unrestricted funds	Restricted funds	2025 Total funds	Unrestricted funds	Restricted funds	2024 Total funds
	£	£	£	£	£	£
Income						
Locomotive & rolling stock hire fees	42,780	2,000	44,780	73,010	2,000	75,010
Grants received	-	5,000	5,000	-	-	-
Premises licence fee	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
	<u>43,780</u>	<u>7,000</u>	<u>50,780</u>	<u>74,010</u>	<u>2,000</u>	<u>76,010</u>
Expenditure						
Maintenance & operation	275,272	2,018	277,290	169,114	2,061	171,175
Restoration costs	-	55,448	55,448	-	82,876	82,876
Insurance	11,660	-	11,660	10,640	-	10,640
Equipment & storage	1,100	102	1,202	1,100	132	1,232
Grants awarded (note 28)	88,850	-	88,850	13,001	-	13,001
Depreciation	31,585	7,868	39,453	35,006	7,868	42,874
Support costs (note 11)	<u>32,040</u>	<u>-</u>	<u>32,040</u>	<u>29,721</u>	<u>-</u>	<u>29,721</u>
	<u>440,507</u>	<u>65,436</u>	<u>505,943</u>	<u>258,582</u>	<u>92,937</u>	<u>351,519</u>
Net expenditure	<u>(396,727)</u>	<u>(58,436)</u>	<u>(455,163)</u>	<u>(184,572)</u>	<u>(90,937)</u>	<u>(275,509)</u>

8. Education activities

	Unrestricted funds	Restricted funds	2025 Total funds	Unrestricted funds	Restricted funds	2024 Total funds
	£	£	£	£	£	£
Income						
Museum entry fees	<u>2,142</u>	<u>-</u>	<u>2,142</u>	<u>2,115</u>	<u>-</u>	<u>2,115</u>
	<u>2,142</u>	<u>-</u>	<u>2,142</u>	<u>2,115</u>	<u>-</u>	<u>2,115</u>
Expenditure						
Equipment & storage	2,000	16	2,016	2,000	2,194	4,194
Subscriptions & donations	-	251	251	-	228	228
Depreciation	2,618	880	3,498	2,618	881	3,499
Support costs (note 11)	<u>362</u>	<u>-</u>	<u>362</u>	<u>600</u>	<u>-</u>	<u>600</u>
	<u>4,980</u>	<u>1,147</u>	<u>6,127</u>	<u>5,218</u>	<u>3,303</u>	<u>8,521</u>
Net expenditure	<u>(2,838)</u>	<u>(1,147)</u>	<u>(3,985)</u>	<u>(3,103)</u>	<u>(3,303)</u>	<u>(6,406)</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued

9. Membership

	Unrestricted funds £	Restricted funds £	2025 Total funds £	Unrestricted funds £	Restrict ed funds £	2024 Total funds £
Income						
Membership fees	<u>66,733</u>	-	<u>66,733</u>	<u>55,056</u>	-	<u>55,056</u>
	<u>66,733</u>	-	<u>66,733</u>	<u>55,056</u>	-	<u>55,056</u>
Expenditure						
Joint Line publishing	25,174	-	25,174	23,444	-	23,444
Administration	24,363	-	24,363	30,778	-	30,778
Support costs (note 11)	<u>3,885</u>	-	<u>3,885</u>	<u>7,041</u>	-	<u>7,041</u>
	<u>53,422</u>	-	<u>53,422</u>	<u>61,263</u>	-	<u>61,263</u>
Net income / (expenditure)	<u>13,311</u>	-	<u>13,311</u>	<u>(6,207)</u>	-	<u>(6,207)</u>

10. Primary purpose trading

	Unrestricted funds £	Restricted funds £	2025 Total funds £	Unrestricted funds £	Restrict ed funds £	2024 Total funds £
Income						
Shop & publishing sales	<u>12,879</u>	<u>46,106</u>	<u>58,985</u>	<u>15,086</u>	<u>38,366</u>	<u>53,452</u>
	<u>12,879</u>	<u>46,106</u>	<u>58,985</u>	<u>15,086</u>	<u>38,366</u>	<u>53,452</u>
Expenditure						
Cost of goods sold	6,555	3,160	9,715	12,661	1,879	14,540
Depreciation	281	-	281	281	-	281
Support costs (note 11)	<u>536</u>	-	<u>536</u>	<u>1,681</u>	-	<u>1,681</u>
	<u>7,372</u>	<u>3,160</u>	<u>10,532</u>	<u>14,623</u>	<u>1,879</u>	<u>16,502</u>
Net income	<u>5,507</u>	<u>42,946</u>	<u>48,453</u>	<u>463</u>	<u>36,487</u>	<u>36,950</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued

11. Support costs

	2025	2024
	Total expenditure	Total expenditure
	£	£
Expenditure		
Office rent & charges	9,210	9,250
Bank & credit card charges	2,286	2,209
Subscriptions & donations	597	533
Sundry small equipment	174	-
Governance	24,216	24,081
Miscellaneous expenditure	<u>401</u>	<u>3,384</u>
	<u>36,884</u>	<u>39,457</u>
Allocated to:		
Expenditure on raising funds (note 6)	61	414
Conservation activities (note 7)	32,040	29,721
Education activities (note 8)	362	600
Membership (note 9)	3,885	7,041
Primary purpose trading (note 10)	<u>536</u>	<u>1,681</u>
	<u>36,884</u>	<u>39,457</u>

Expenditure on support costs is allocated to an activity area in the same ratio as the direct costs associated with the relevant area of activity.

12. Net income before transfers

This is stated after charging:

	2025	2024
	£	£
Depreciation	43,233	46,654
External Audit Fee	19,000	18,500
Expenses reimbursed to Board Members	1,546	1,829
Operating lease rentals	8,350	9,100

13. Staff costs, trustee remuneration and expenses

The Society has no employees. Apart from K R Ashford who is full-time Chief Mechanical Engineer of the NNR, none of the trustees have been paid any remuneration or received any other benefits from employment by the Society or a related entity.

Expenses reimbursed to board members relate to supplies of materials, spare parts and fuel used in the restoration and operation of heritage assets, shop merchandise and other supplies and sundry administration. In all cases the suppliers are those with which the Society does not have credit accounts. The total amount of reimbursed expenses was £1,546 to 3 trustees (2024 - £1,829 to 6 trustees and 1 related party).

Trustees and members of their families make unconditional donations to the Society, either by way of regular monthly payments or occasional lump sums to support projects and public appeals. The aggregate total of such specifically identified donations from trustees and related parties in 2024-25 was £250 (2023-24 £285). There may have been additional unidentified donations placed in collecting boxes located at the Society's shop and museum.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued

14. Tangible Fixed Assets

	Collection Assets	Locomotive Boilers	Heritage Assets Total	Leasehold Buildings	Fixtures, Fittings & Equipment	Tangible Assets Total	Total
	£	£	£	£	£	£	£
Cost at start of year	706,118	388,688	1,094,806	520,403	49,582	569,985	1,664,791
Additions in year	<u>-</u>	<u>5,784</u>	<u>5,784</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,784</u>
Cost at end of year	706,118	394,472	1,100,590	520,403	49,582	569,985	1,670,575
Depreciation at start of year	300,000	235,939	535,939	168,171	40,900	209,071	745,010
Charge for year	<u>-</u>	<u>30,869</u>	<u>30,869</u>	<u>10,924</u>	<u>1,441</u>	<u>12,365</u>	<u>43,233</u>
Depreciation at end of year	300,000	266,808	566,808	179,095	42,341	221,436	788,244
Net book value at end of year	406,118	127,664	533,782	341,308	7,241	348,549	882,331
Net book value at start of year	406,118	152,749	558,867	352,232	8,682	360,914	919,781

Collection assets (and their cost/net book value) comprise historical locomotives (£504,555/£204,555), a diesel multiple unit (£100,000/£100,000), carriages and wagons (£85,732/£85,732), a road vehicle (£9,739/£9,739) and artefacts and collections (£6,092/£6,092) held for preservation and educational purposes. Locomotives and some carriages and wagons are included at cost of acquisition; no value is included for donated items as this is usually not available. The ages range from about 50 to 130 years. Locomotives and some other rolling stock are operational subject to completion of restoration or overhaul; the remainder is for static or museum display. Locomotive boilers are components related to the historical locomotives.

Summary Analysis of Heritage Asset Transactions

	2025	2024	2023	2022	2021
	£	£	£	£	£
Purchases & capitalisation:					
Locomotives	-	45,000	-	-	60,000
Diesel multiple unit	-	-	-	-	100,000
Carriages and wagons	-	20,000	14,000	-	-
Other collection items	-	-	-	-	250
Locomotive Boilers	5,784	19,318	1,919	24,083	5,766
Charge for depreciation:					
Locomotive boilers	30,869	34,178	32,647	31,078	52,544

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued

15. Investments

	2025	2024
	£	£
Shares in North Norfolk Railway PLC		
Total Shares in Associate at cost	264,643	<u>264,463</u>
North Norfolk Railway PLC Bond Issue 4	31,800	30,000
Midland & Great Northern Heritage Limited	1,000	1,000
SME Loan Note (2024 Zenzic Loan Note)	<u>100,000</u>	<u>100,000</u>
Total Unquoted Investments at cost	132,800	<u>131,000</u>
Cazenove Charity NURS Fund	3,952	302,187
Prudential Assurance and LGT Vestra Fund	<u>560,812</u>	<u>519,385</u>
Total quoted investments at fair value	<u>564,764</u>	<u>821,572</u>
Total investments at cost or fair value	<u>962,207</u>	<u>1,217,035</u>

Movement in quoted fixed asset investments:	2025	2024
	£	£
Opening Fair Value	817,771	809,059
Additions at cost	63,270	75,260
Disposal proceeds	(411,228)	(77,785)
Realised gains / (losses)	49,248	(2,249)
Disposals at opening fair value	(361,980)	(80,034)
Net unrealised investment gains	<u>38,629</u>	<u>13,486</u>
Fair value at end of the year	557,690	817,771
Cash held by investment managers for re-investment	7,074	3,801
Total quoted investments at fair value	<u>564,764</u>	<u>821,572</u>

Purchases of Ordinary Shares of £1 each in North Norfolk Railway PLC (NNR), an unlisted public company, have been at par. In addition, the Society has added to its shareholding by accepting gifts and bequests of shares from members and others and these are also included at par. At 31 January 2024 the total number of shares purchased was 214,090 and the total shareholding was 264,463. During the year no shares were purchased, and 180 shares were gifted to the Society, so at 31 January 2025 the total number of shares purchased was 214,090 and the total shareholding including gifted shares was 264,643. The Society is the largest single shareholder owning approximately 29.9% (2024 30.1%) of the issued share capital.

The Society's approximately 29.9% (2024 30.1%) proportions of the share capital and profits of the NNR are:

	2025		2024	
	£	%	£	%
Share Capital	264,643	29.9	264,463	30.1
Profit and loss account	(37,719)	29.9	(100,946)	30.1
Net profit / (loss) for the year	62,126	29.9	(7,794)	30.1

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued**15. Investments - continued**

The not-for-profit constitution of the NNR precludes payment of any dividend or distribution on the Society's investment. However, the benefits that derive from the investment are considerable and are noted throughout the Report of the Board of Trustees. These include access to covered accommodation and engineering facilities for restoration and storage, a secure and appropriate base for the Society's assets and a venue to exhibit them to the public either operationally or static in accordance with the charitable objectives. While it is difficult to quantify a monetary value for the benefits, the Board is of the opinion that the value of the investment at cost in these accounts is not in excess of the potential value of the future ongoing benefits so derived. The Board therefore considers that a write down of the investment to its value of £226,923 in the NNR accounts is not appropriate.

The NNR fourth series Bond investment of £30,000 matured in April 2023, with the accrued interest of £4,729 being paid out. The £30,000 capital was rolled over into a fifth Bond issue for a one-year term of 6% interest to be paid on maturity in April 2024. At the March 2024 meeting of Trustees, it was agreed that the £30,000 capital and £1,800 interest due should be rolled over into a new one-year Bond of capital £31,800 maturing in April 2025, at an interest rate of 6%. At the March 2025 meeting of Trustees, it was agreed that the matured amount of £33,708 would be reinvested for a further three-year period.

The Society holds 1,000 ordinary £1 shares, being 100% of the issued and authorised share capital of Midland & Great Northern Heritage Limited (Company number 04009464). The company was set up to undertake non-charitable trading activities but is not currently trading.

The £100,000 Zenzic Loan note, an unquoted three-year fixed term property and property development bond guaranteeing a return of 8% per annum, interest paid quarterly, over the fixed term, matured in June 2024. It was reinvested for a further year guaranteeing a return of 10% per annum in a similar product with SME, interest paid quarterly, over the fixed term, maturing in June 2025.

Quoted investments consist of an initial £800,000 invested in three managed mixed funds. In January 2025, the trustees authorised the liquidation of their initial £300,000 Cazenove Charity NURS Fund raising £343,956, to make cash available for the ongoing locomotive overhauls. The value of £3,592 at 31st January 2025 represents residual cash from the sale, distributed in March 2025. The remaining initial £500,000 Prudential Assurance and LGT Vestra Fund portfolio is stated at market value.

Listed investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value). The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the Charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so their ability to buy and sell quoted equities and stock is anticipated to continue. The Charity investments are mainly traded in markets with good liquidity and high trading volumes. The Charity has no material investment holdings in markets subject to exchange controls or trading restrictions. The Charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Charity does not make use of derivatives and similar complex financial instruments. Investments are held for their longer-term yield and total return. Historic studies of quoted financial instruments have shown that short term volatility in any particular period will normally be corrected in the long-term.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued

16. Related Parties

The trustees are the legal directors of the charity and its subsidiary, and they do consider themselves part of the day-to-day management and are therefore key management personnel. However, none of the trustees received any remuneration or benefits during the year.

As outlined in note 15, Midland and Great Northern Joint Railway Society is the largest shareholder of the NNR. The following trustees holding office at the year-end are also directors of the NNR:

M R Blee
G Wigglesworth
A E Dewey

During the year sales to NNR were £49,221 (2024 £71,004) excluding VAT and purchases from them £85,246 (2024 £72,756) excluding VAT, including assets of £nil (2024 £nil) but excluding shares. At the year end, NNR owed the Society £8,020 (2024 £40,462) and the Society owed NNR £1,988 (2024 £24,434), including VAT. Two grants were awarded to the NNR during the year amounting to £88,850 (2024 one grant of £13,001) as detailed in note 28.

There are leases in place between the NNR and the Society in respect of the land on which the Society's Carriage Sheds were built (to 30th September 2105) and the Museum Building (to 10th April 2058), with provision for peppercorn rents payable annually by the Society to the NNR, of £100 for the Carriage Sheds' land and £1 (not currently collected) for the Museum Building, as disclosed in note 30. The lease for the Carriage Sheds land has no provision for an increase in rent, and a break clause every 10 years from October 2006.

With the acquisition of the second class 08 shunter and a Class 11 shunter, a ten-year agreement was signed with the NNR with effect from September 2023, whereby the Society shall use all reasonable endeavours to ensure that at least two of the shunters are available in full working order for use by the NNR providing an annual income of £9,600. A further open-ended contract, with a one month's notice clause, was signed with the NNR in September 2023 whereby the NNR would pay the Society £150 per day, when the NNR made use of the Society's Grove Allen H404 mobile crane for use other than on Society business.

17. Debtors

	2025	2024
	£	£
Trade debtors	-	56
Amounts owed by group and associated undertakings	6,710	36,741
Prepayments and accrued income	18,453	14,643
Taxation and social security	5,874	9,810
Other debtors	<u>10,032</u>	<u>11,396</u>
	<u>41,069</u>	<u>72,646</u>

18. Creditors: Amounts falling due within one year

	Note	2025	2024
		£	£
Trade creditors		21,089	14,298
Amounts owed to group and associated undertakings		2,459	24,157
Accruals and deferred income		18,410	34,346
Grants payable	28	39,906	27,376
Other creditors		<u>550</u>	<u>-</u>
		<u>82,414</u>	<u>100,177</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued

19. Creditors: Amounts falling after more than one year

	Note	2025 £	2024 £ As restated
Grants payable	28	<u>85,918</u>	<u>19,125</u>

20. Statement of Funds

Statement of Funds – Current year	Balance at beginning of year	Income	Expenditure	Investment Gains	Transfers Note 22	Balance at end of year
	£	£	£	£	£	£
General Fund	247,418	112,259	(114,299)	-	(180)	245,198
Designated Funds Note 21	562,830	70,459	(392,817)	-	223,148	463,620
	<u>810,248</u>	<u>182,718</u>	<u>(507,116)</u>	<u>-</u>	<u>222,968</u>	<u>708,818</u>
Total Unrestricted Funds						
Total Restricted Funds Note 22	1,806,889	121,818	(78,830)	87,876	(223,148)	1,714,605
Total Endowment Funds Note 23	670,580	-	-	-	180	670,760
	<u>3,287,717</u>	<u>304,536</u>	<u>(585,946)</u>	<u>87,876</u>	<u>-</u>	<u>3,094,183</u>
Statement of Funds – Prior year	Balance at beginning of year	Income	Expenditure	Investment Gains	Transfers	Balance at end of year
	£	£	£	£	£	£
General Fund	269,452	117,271	(138,606)	-	(700)	247,418
Designated Funds – Note 21	595,338	72,309	(204,685)	-	99,868	562,830
	<u>864,790</u>	<u>189,580</u>	<u>(343,291)</u>	<u>-</u>	<u>99,168</u>	<u>810,248</u>
Total Unrestricted Funds						
Total Restricted Funds Note 22	1,675,759	391,421	(106,659)	11,237	(164,869)	1,806,889
Total Endowment Funds Note 23	604,880	-	-	-	65,700	670,580
	<u>3,145,429</u>	<u>581,001</u>	<u>(449,950)</u>	<u>11,237</u>	<u>-</u>	<u>3,287,717</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued

21. Designated Funds

Current year	Balance at beginning of year £	Income £	Expenditure £	Transfers Note 23 £	Balance at end of year £
'Loco Pot'	481,326	41,430	(390,817)	224,652	356,591
Operation Phoenix	65,000	-	(2,000)	-	63,000
Special Projects	16,504	29,029	-	(1,504)	44,029
	<u>562,830</u>	<u>70,459</u>	<u>(392,817)</u>	<u>223,148</u>	<u>463,620</u>
Prior year	Balance at beginning of year £	Income £	Expenditure £	Transfers £	Balance at end of year £
'Loco Pot'	449,847	72,110	(202,685)	162,054	481,326
Operation Phoenix	67,000	-	(2,000)	-	65,000
Special Projects	78,491	199	-	(62,186)	16,504
	<u>595,338</u>	<u>72,309</u>	<u>(204,685)</u>	<u>99,868</u>	<u>562,830</u>

The Trustees established a steam locomotive fund ('Loco Pot') which receives the steaming fees of the B12/3, J15/Y14 and WD when operational. The fund was subsequently expanded to include *Ring Haw*, *Wissington*, the Class 08s and Class 11, the Class 31 and the Class 101 DMU. The above figures therefore include usage fees and repairs to the Society's entire motive power fleet. This fund helps defray the costs of repairs and major overhauls of the locomotives with back-up funding from other steam locomotive funds and support clubs as required. Although the Society has a Steam Loco Legacy restricted fund for locomotive overhauls, the Trustees aim to allocate any unexpected unrestricted sources of income to fund locomotive overhauls, to preserve the restricted fund into the future, when such sources of income may not be available. With the restricted Steam Loco Legacy fund available solely for this purpose, the Society is well funded for repairs and major overhauls of its locomotives.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued

22. Restricted Funds

Current year	Balance at beginning of year	Income	Expenditure	Investment Gains	Transfers Note 23	Balance at end of year
	£	£	£	£	£	£
Loco Club (all locos)	66,677	12,974	(67)	-	(18,514)	61,070
J15/Y14	387	4,311	(1,255)	-	-	3,443
B12/3	1,315	4,007	(1,348)	-	-	3,974
B12/3 Overhaul Appeal	1,781	4,126	-	-	-	5,907
WD	1,005	795	-	-	-	1,800
Wissington	3,060	511	-	-	-	3,571
Ring Haw	1,481	125	-	-	-	1,606
Steam Loco Legacy	1,127,435	29,035	(5,460)	87,876	(147,581)	1,091,305
31 Fund (Class 31)	1,254	299	-	-	-	1,553
Diesel Club	8,605	1,390	(41)	-	-	9,954
Heritage Coach Fund	94,897	48,800	(59,247)	-	1,505	85,955
Museum	46,700	5,038	(1,773)	-	-	49,965
Museum Improvements	18,270	-	(881)	-	-	17,389
Holt Development	5,516	150	-	-	-	5,666
Carriage Sheds	267,474	-	(7,868)	-	-	259,606
Railway Cottage	2,059	3,097	(890)	-	-	4,266
Society Grants	2,575	5,000	-	-	-	7,575
Loco & RS Legacy Fund	<u>156,398</u>	<u>2,160</u>	<u>-</u>	<u>-</u>	<u>(58,558)</u>	<u>100,000</u>
	<u>1,806,889</u>	<u>121,818</u>	<u>(78,830)</u>	<u>87,876</u>	<u>(223,148)</u>	<u>1,714,605</u>

Prior year	Balance at beginning of year	Income	Expenditure	Investment Gains	Transfers	Balance at end of year
	£	£	£	£	£	£
Loco Club (all locos)	67,591	12,716	-	-	(13,630)	66,677
J15/Y14	12,156	4,145	(1,294)	-	(14,620)	387
B12/3	4,618	3,906	(1,349)	-	(5,860)	1,315
B12/3 Overhaul Appeal	58,179	6,297	(706)	-	(61,989)	1,781
WD	1,675	1,070	-	-	(1,740)	1,005
Wissington	3,894	510	-	-	(1,344)	3,060
Ring Haw	510	3,899	(46)	-	(2,882)	1,481
Steam Loco Legacy	1,093,347	27,914	(5,063)	11,237	-	1,127,435
31 Fund (Class 31)	910	394	-	-	(50)	1,254
Diesel Club	7,090	1,515	-	-	-	8,605
Heritage Coach Fund	75,339	40,583	(85,802)	-	64,777	94,897
Quad Art Set	2,592	-	-	-	(2,592)	-
Museum	43,330	4,900	(1,530)	-	-	46,700
Museum Improvements	19,150	-	(880)	-	-	18,270
Holt Development	5,294	222	-	-	-	5,516
Carriage Sheds	275,342	-	(7,868)	-	-	267,474
Railway Cottage	2,167	2,013	(2,121)	-	-	2,059
Society Grants	2,575	-	-	-	-	2,575
Loco & RS Legacy Fund	<u>-</u>	<u>281,337</u>	<u>-</u>	<u>-</u>	<u>(124,939)</u>	<u>156,398</u>
	<u>1,675,759</u>	<u>391,421</u>	<u>(106,659)</u>	<u>11,237</u>	<u>(164,869)</u>	<u>1,806,889</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued**22. Restricted Funds - continued**

The income of the funds relates to donations, other contributions, shop retail and donated sales, investment income, bank interest, and designated by the trustees, Heritage Coach Fund rolling stock hire of £2,000.

No new funds were created during the year.

At 31 January 2025 the Loco Club fund balance of £61,070 is attributable as follows: General (all locos) £13,639 J15/Y14 £5,989, B12/3 £6,798, W1500 £26,713, WD £3,547, *Wissington* £2,641, *Ring Haw* £387 and Class 31 £1,356.

Two transfers amounting to £18,514 were transferred from the Loco Club to the 'Loco Pot'. A transfer of £4,960 to cover running repairs for *Wissington* came from the General (all locos) balance, whilst a transfer of £13,954 to cover the cost of the stripping down of the B12/3's boiler came from the W1500 balance.

23. Endowment Fund and transfers between funds

Endowment Fund – This is not a cash fund. All heritage assets are represented in Endowment Fund, demonstrating the strategic permanency of the Society's ownership as they are unlikely to be sold or otherwise disposed of except in exceptional circumstances. Similarly, the investment in NNR shares is represented in Endowment due to the permanent nature and purpose of these in the pursuit of the charitable objectives as explained in note 15 and throughout the Report of the Board of Trustees. The transfer to Endowment Fund of £180 represents the gift of 180 NNR Ordinary Shares of £1 to the Society as detailed in Note 15.

Transfers between Funds

A transfer of £1,504 was made from the Special Projects Fund to the Heritage Coach Fund to fund the restoration of the Gresley Brake Third Open (BTO) coach number E43556, being the balance of a legacy received which had been designated to this fund. Work continues on this restoration at an outside contractor, with a completion date due in early 2026.

Overhaul costs for the frames of the B12/3 and its tender amounted to £189,809, whilst the cost of casting the first cylinder block for *Ring Haw* cost £16,330. This total cost of £206,139 was funded by transfers of £147,581 from the Steam Loco Legacy Fund and £58,558 from the Loco and Rolling Stock Legacy Fund.

The balance of £100,000 remaining on the Loco and Rolling Stock Legacy Fund, has been allocated by the trustees towards the restoration of the Gresley Tourist Third Open (TTO) Coach number E52256 built in York in 1935. Work will commence at an outside contractor once the Gresley BTO is returned to Weybourne for final fitting out.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued

24. Analysis of net assets between funds

Current year	Designated Funds	General Fund	Restricted Funds	Endowment Fund	Total Funds
	£	£	£	£	£
Tangible fixed assets	190,664	8,556	276,994	406,117	882,331
Investments	-	32,800	664,764	264,643	962,207
Net Current Assets	323,623	239,093	772,847	-	1,335,563
Creditors due in more than one year	(50,667)	(35,251)	-	-	(85,918)
	<u>463,620</u>	<u>245,198</u>	<u>1,714,605</u>	<u>670,760</u>	<u>3,094,183</u>
Prior year As restated	Designated Funds	General Fund	Restricted Funds	Endowment Fund	Total Funds
	£	£	£	£	£
Tangible fixed assets	217,749	10,173	285,742	406,117	919,781
Investments	-	31,000	921,572	264,463	1,217,035
Net Current Assets	345,081	225,370	599,575	-	1,170,026
Creditors due in more than one year	-	(19,125)	-	-	(19,125)
	<u>562,830</u>	<u>247,418</u>	<u>1,806,889</u>	<u>670,580</u>	<u>3,287,717</u>

25. Reconciliation of net income to net cash flow from operating activities

	2025	2024
	£	£
Net (expenditure) / income for the year (as per the statement of financial activities)	(193,534)	142,288
Depreciation charges	43,233	46,654
Donation of Shares	(180)	(700)
Gains on investments	(87,876)	(11,237)
Dividends, interest and investments - cash received	(47,938)	(46,187)
Dividends, interest and investments - capitalised	(1,800)	-
Decrease / (increase) in stocks	5,446	(22,357)
Decrease / (increase) in debtors	31,577	(39,058)
Increase in creditors	49,030	71,923
	<u>(202,042)</u>	<u>141,326</u>

26. Analysis of cash and cash equivalents

	2025	2024
	£	£
Cash at bank and in hand	1,264,044	1,079,247
Cash held by investment managers for re-investment (note 15)	7,074	3,801
	<u>1,271,118</u>	<u>1,083,048</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued

27. Analysis of changes in net debt

	At 1 February 2024 £	Cash Flows In Year £	At 31 January 2025 £
Cash and cash equivalents	1,083,048	188,070	1,271,118
	<u>1,083,048</u>	<u>188,070</u>	<u>1,271,118</u>

28. Grants payable

	At 1 February 2024 £	Awarded In Year £	Paid in Year £	At 31 January 2025 £
Grants payable	46,501	88,850	(9,527)	125,824
	<u>46,501</u>	<u>88,850</u>	<u>(9,527)</u>	<u>125,824</u>

During the year, two grants were awarded to the NNR, £3,850 for the refurbishment of the Holt Down Section signal and £85,000 for the employment of an apprentice for the three-year period from September 2024 to August 2027. The grant payment of £9,527 was the cost incurred for the first two years of the NNR apprentice for the period September 2022 to August 2024, awarded in the financial year ended 31st January 2023.

29. Contracts and commitments

Contracted

A contract for the dismantling and overhaul of 0-6-0 ST No. 1982 *Ring Haw* was entered into with the NNR in January 2022 in the sum of £186,007. Subsequently in 2022 a decision was made to outsource the chassis overhaul. In December 2022 a contract for this was entered into with The Flour Mill Ltd in the sum of £133,380. Whilst work has commenced, no invoices have been received to date. A contract was entered into with Premier Patterns & Castings Limited in May 2024 for the casting of a new cylinder block in the sum of £31,360. The first block was successfully cast and £15,680 was duly paid in July 2024. The second casting was undertaken in February 2025, but was found to be faulty, so no payment was made. In March 2025, the second casting was successfully completed and the outstanding amount of £15,680 was paid later that month. The boiler overhaul work remains with the NNR. The value of that within the January 2022 contract plus costs of additional work since found necessary is £143,706. At 31 January 2025 works to the value of £22,542 had been completed.

In January 2023 a contract for the overhaul of B12/3 8572's chassis and tender was entered into with Riley & Son (Electromec) Limited in the sum of £299,615. Work commenced in April 2023 and by 31st January 2025 variations to the scope of works added £130,831 to the contact sum to make £430,446. At 31 January 2025 the value of completed works was £295,420. In December 2024 work on the B12/3's tender was completed, and the tender was returned to Weybourne for storage, having received undercoat and the first topcoat of Apple Green paint. The overhaul of the boiler is being carried out by the NNR under a September 2023 contract in the sum of £188,171 and by 31st January 2025 variations to the scope of works added £36,125 to the contact sum to make £224,296. Works to the value of £18,408 had been completed at 31 January 2025.

Contingent Commitments

The Board are not aware of any commitments, other than those noted above, that required disclosure in these financial statements.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued

30. Commitments under operating leases

At 31 January 2025 there were annual commitments under non-cancellable operating leases for land and buildings as follows:

	2025	2024
	£	£
Operating leases which expire:		
Within one year	-	8,250
In more than five years	<u>101</u>	<u>101</u>
	<u>101</u>	<u>8,351</u>

Details of the leases are contained in Note 16 to the financial statements.

31. Post balance sheet events

At an Extraordinary General Meeting of the ordinary shareholders of the North Norfolk Railway plc held on 1st February 2025, resolutions were passed by the requisite majorities to:

- empower and authorise the North Norfolk Railway plc directors to issue 100 £1 Preference Shares, with voting rights, to the Midland and Great Northern Joint Railway Society;
- remove the voting rights currently attached to the ordinary shares; and
- amend the Articles of Association of the North Norfolk Railway plc accordingly.

The adoption of these resolutions was approved at a meeting of North Norfolk Railway plc directors on 12th February 2025 where a resolution was passed for the filing of the appropriate documents at Companies House.

These resolutions give the Society 100% voting control of the North Norfolk Railway plc, with effect from 1st February 2025, the 100 £1 Preference Shares to the Society having been issued.

From 1st March 2025, the Society has entered into a 99-year lease, with five-year break clauses, at an annual rent of £16,200 for offices in St. Peters Street Sheringham, opposite the NNR's station building, which will be occupied by both Society and NNR staff. Also in March 2025, the Society signed a three-year lease with Dell for computer hardware, with a total payment value over the term of £4,188.

Further details of future joint plans of the Society and the NNR are contained in the Report of the Board of Trustees on Pages 2 to 10.

32. Prior Year Adjustment

Due to the increase in value of grants awarded to the NNR in the year, as explained in note 28, the trustees have decided to disclose the liability at 31st January 2025 split between those grants they have judged to become due within one year of the balance sheet date and those that will become payable after more than one year of the balance sheet date. As a result of this change in disclosure, the grants awarded creditors figures for the comparative year ended 31st January 2024 in notes 18 and 19, and within the balance sheet, have been restated accordingly.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

England & Wales - Charity number 1063676

Accounts

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY



Registered Office: Sheringham Station, Sheringham, Norfolk, NR26 8RA
A Company Limited by Guarantee Registered No. 03355411
Registered Charity No. 1063676

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024**

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

**Reference and Administrative Details
Company Information**

Board of Trustees (Directors)

M R Blee (Chairman)
G P Wigglesworth
K R Ashford
D J Ballard
A E Dewey
S D Roberts
N A Scarlett

Company Secretary

A E Dewey

Registered Office

Sheringham Station
Sheringham
Norfolk, NR26 8RA

Registered Company Number

03355411

Registered Charity Number

1063676

Working Names

M&GN Society
M&GN Joint Railway Society
M&GNJRS

Auditors

Peters, Elworthy & Moore
Salisbury House
Station Road
Cambridge, CB1 2LA

Bankers

Lloyds Bank plc
Norwich Gentlemens Walk
PO Box 99, BX1 1LT

Barclays Bank plc
PO Box 1, Banbury
Oxon, OX16 8PS

CCLA Investment Management Limited
One Angel Lane
London, EC4R 3AB

Paypal
Ballycoolin Industrial Estate
Dublin 15, Ireland

SumUp Payments Limited
32-34 Great Marlborough Street
London, W1F 7JB

Stripe Payments Europe Limited
The One Building
1 Grand Canal Street Lower
Dublin 2, Ireland

Investment Managers

Cazenove Capital
1 London Wall Place
London, EC2Y 5AU

Insight Financial Advisors
7a Alkmaar Way
Norwich International Business Park
Norwich, Norfolk, NR6 6BF

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

REPORT OF THE BOARD OF TRUSTEES

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Midland and Great Northern Joint Railway Society (the Charity/Society) for the year ended 31 January 2024. The Trustees confirm that the annual report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition - October 2019).

The Charity qualifies as small under section 383, so the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 is not required.

Objectives and Activities

Objectives

The Society's principal objective is to advance public education by the acquisition, restoration, preservation and exhibition of locomotives, rolling stock and other railway artefacts and, in particular, those of the former Midland & Great Northern Joint Railway (M and GNJR) and its antecedent and successor companies, as follows:

- Ownership, restoration and operational display of locomotives appropriate to the Society;
- Ownership, restoration and operational display (where practicable) of historic carriages and wagons;
- Assisting other organisations to restore and display locomotives, rolling stock and other railway structures and artefacts, through the provision of financial support, technical advice or such other appropriate support;
- Ownership and display of museum collections that inform and educate;
- Assisting other organisations with an interest in educating about railway history, through the provision of advice, access to and loan of artefacts in the Society's possession and other appropriate support;
- The North Norfolk Railway (NNR) to be the Society's preferred (but not necessarily exclusive) partner for pursuing the aims in a) to e) above; and
- Maximise the Society's revenue earning capability in order to support the above aims.

Its vision for the foreseeable future is to focus on the geographical area of the M and GNJR and other aspects of East Anglian railway history by means of this mission statement, as contained in the 2022-2026 Strategic Plan approved by the Trustees at their January 2022 board meeting.

Main Activities

The Society's main activities undertaken in relation to the above purposes are as follows:

- acquisition, restoration, preservation and exhibition of the railway items mentioned above principally utilising the facilities of the NNR which assists in these being achieved;
- scheduled running of locomotives, carriages and rolling stock for public access, mainly on the NNR but occasionally at other locations;
- where possible contracting restoration and maintenance works to the NNR's engineering facilities at Weybourne but using outside specialist contractors or volunteers where considered appropriate;
- operating the *William Marriott Museum* (WMM) at Holt for the display of artefacts and documents;
- operating a shop selling, amongst other items, railway publications of an historical and educational nature and increasingly, those produced in-house; and
- awarding grants to the NNR and others to support projects that are consistent with the Society's principal objective.

Main Activities to Further the Society's Purposes for the Public Benefit

The Society is based at the NNR, whose aims are to operate a heritage railway for the benefit of the public, currently 5¼ miles from Sheringham via Weybourne to Holt. Train services normally operate on around 250 days of the year for public enjoyment. This enables members of the public to view the Society's preserved steam and diesel locomotives in operation, travelling in carriages owned by the NNR and the Society's preserved operational LNER Quad Art Set and vintage carriages.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

REPORT OF THE BOARD OF TRUSTEES – Continued**Objectives and Activities (continued)***Main Activities to Further the Society's Purposes for the Public Benefit (continued)*

The NNR's engineering facilities where Society locomotives and rolling stock are restored and maintained are not generally open to the public for safety reasons but viewing can be arranged, and guided tours are offered at some special events. The *William Marriott Museum*, named after the M&GNJR's chief engineer, located at Holt houses the Society's extensive collection of railway objects, artefacts and records. It is open to the public every day when the railway is running and offers free entry to visitors arriving by train. The Railway Cottage at Holt is also an attraction in its own right by re-creating how it may have presented in 1935.

These activities help to educate and entertain the general public as part of the development and history of railways. They are complemented by the educational reading material in the museum and the publications about railways which are available to purchase from the Society's Weybourne shop, the museum and online.

Public Benefit

The Society aspires to be a professional charitable organisation, adding historical value to the knowledge of the general public about the "M&GNJR" and East Anglian railways in general, in a manner which is both educational and fun for its members and the general public.

In the exercise of its powers in relation to its objectives and missions, the Board of Trustees has paid due regard to the published guidance from the Charity Commission on the operation of the Public Benefit requirements under the Charities Act 2011.

Volunteers

The Society relies entirely on volunteers to achieve its aims and objectives and has no paid staff. Volunteers are involved with restoration and maintenance projects, running the Society's Museum, sales and fund-raising, marketing, finance, governance and administration. Volunteers of the Society are normally members who pay an annual subscription, often supplemented by regular or one-off donations to their choice of fund and many are also volunteers for the NNR.

Achievements and Performance*Summary of the Main Achievements*

Fixed Asset Purchases – During the year a Class 08 Shunter D3940 and a Parcel Miscellaneous Vehicle (PMV) S1439 were purchased, together with a donated Class 11 Shunter 12131, from their owner who had previously made them available to the NNR. Their purchase by the Society therefore ensured they would remain on the railway. The purchase was funded out of a restricted legacy of £281,337 as detailed in Note 21 to the Financial Statements. A ten-year agreement has been entered into with the NNR to ensure at least two of the three shunters will be available for their use as detailed in Note 16 to the Financial Statements. A Storage container costing £1,000 was capitalised, containing shunter spares stock to the value of £19,000, which was acquired along with the shunters and PMV.

Investments – The Steam Locomotive Legacy portfolios recovered some of the ground lost in the previous financial year as detailed in Note 15 to the Financial Statements. The market value at the end of the financial year increased to £921,572 from £914,113 at the start of the year, £21,572 above the original £900,000 invested in the third quarter of the 2019/20 financial year on the receipt of the legacy of over £1m. Realised gains, net of losses, and interest on the portfolio were £25,665 during the year.

Conservation – Locomotive Overhauls. During the year, work has progressed on the overhaul of the B12 and *Ring Haw*. The boilers are at NNR's Engineering Works at Weybourne, whilst the *Ring Haw* chassis and B12 chassis and tender are at outside contractors. Note 27 to the Financial Statements gives details of the contracts and costs to date. Ongoing boiler overhaul costs of £19,318 have been capitalised, but not depreciated in the year.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

REPORT OF THE BOARD OF TRUSTEES – Continued

Achievements and Performance (continued)

Summary of the Main Achievements (continued)

Conservation – Coaching Stock Restoration. The *Joint Heritage Coach Fund* volunteers' team continued to make steady progress in the workshop on Thompson BSF 1866, with Gresley Brake Third Open (BTO) E43556 being overhauled at an outside contractor. As part of the NNR's 'one in, one out' policy for coaching stock, approval was given at the 2023 AGM for the disposal of LNER BG 70621 as the original intentions for use are no longer feasible. Whilst there has been some interest in the coach, no confirmed disposal has yet been agreed. Once the BTO has been delivered back to Weybourne, it is planned to send the Gresley Tourist Third Open E52256 to the contractor for restoration for eventual use as part of the regular coaching rake used by the NNR. The Society's unique Quad Art Set 74, which celebrates its centenary in 2024, returned to traffic at the NNR's Spring Gala in 2023 after reprofiling of the wheelsets.

Conservation - Operation. The Railway opened for February half term and remained so up to the planned closure in early January 2024. Total steam locomotive turns were 85 (2023 160), all but one day due to the Y14 (2023 89), as the WD only operated one day (2023 71) before being withdrawn due to steam escaping from two fractures in the throat plate adjacent to the barrel lap seam. A repair has finally been approved by British Engineering Services and it is hoped the locomotive will be back in operation later this year. For the diesels, Class 31 achieved 84 turns (2023 84), including shunting and trip workings, with work to complete the installation of the new steam heating system due to be completed by the end of the year. The Class 101 DMU 2 car set was split for maintenance in early 2023, with the trailer car requiring extensive bodywork repairs. As a result, the power car achieved 51 turns (2023 38), but the trailer car only 1 turn (2023 18). After waiting in a long queue for a slot in the Weybourne works, the repairs have finally started. Of our three shunters, D3985 is operating as Weybourne Yard pilot, D3940 as Sheringham Station Pilot and 12131 is currently being assessed to see what work is required to restore it to an acceptable and robust operating condition over a period of time. *Wissington* has returned from its time at the Mid Suffolk Railway, operating for 24 days in the year, and is now running on the NNR with the Society's vintage set of carriages, which is proving to be very popular with visitors.

Education – The *William Marriott Museum* was open for a full season from February – October 2024, visitor numbers were 17,109 (2023 15,971). The Railway Cottage at Holt also opened for a full season in 2024 over the same period. Visitor numbers were just under 14,000 (2022 July – October over 19,000), down due to a reduction in the number of opening days due to the unavailability of volunteer stewards. *Joint Line* continued to maintain its high-quality standards as a journal as the editorship passed to Dave Ballard on Dennis Greeno's retirement. The latest book in the M&GN Railway history series, covering the period from 1946 to 1954, by Dennis Greeno and Richard Addison was published in the year. The Society continued to support the engineering apprentice at Weybourne as he entered his second year of a three-year term. The Society took over the running of the annual Model Railway exhibition at Sheringham School in September 2023, where over 400 people attended and nearly £1,250 was raised for Society funds.

Membership – The number of primary memberships increased from 2,301 at January 2023 to 2,435 at January 2024, an increase of 134 or 5.8%. A Membership Survey in the Winter 2023 edition of *Joint Line* received 592 responses, which will be considered by the Trustees as part of the Society's strategic planning process.

Primary Purpose Trading comprising Weybourne bookshop, eBay shop and own publications increased turnover by 32% to over £53k (2023 £40k). During the year the opening of the bookshop extension, '*The Sidings*', situated in the recently purchased PMV in the bay platform at Weybourne, has provided additional sales space, which has helped increased sales, whilst providing much needed browsing room for customers. For the first time, the bookshop was opened during the NNR Santa Specials, giving an additional attraction at Weybourne for passengers.

Grants – During the year, one grant of £13,001 was awarded to the NNR for life extension work on Sheringham West Signal Box. No payments have been made as the work has not yet started and the amount, together with the other grants previously awarded but still outstanding, have been transferred to a designated fund as explained in Notes 20 and 27 to the Financial Statements.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

REPORT OF THE BOARD OF TRUSTEES – Continued**Financial Review**

The results for the year are set out in the attached financial statements from page 14 onwards. Total incoming resources amounted to £581,001 (2023 £314,514) which, after total expenditure of £449,950 (2023 £224,273) and unrealised investment gain of £11,237 (2023 loss £31,996), resulted in net income before transfers of £142,288 (2023 £58,245). At the end of the period, the Society had net assets of £3,287,717 (2023 £3,145,429).

General Fund is the sole purely unrestricted fund. The income amounted to £117,271 with expenditure of £138,606 and net transfers to other funds of £700 (see notes 19 and 22), resulting in General Funds falling by £22,034 to £247,418 at 31 January 2024. Members' subscriptions raised £55,056 towards the Society running costs of £119,420 including *Joint Line*, asset insurance, premises, equipment, storage, administration and governance. Weybourne shop contributed £2,425 gross margin from sales of purchased goods. Donations (including Gift Aid), bequests, museum entry fees, interest received, and sundry income produced £47,129.

Designated funds have purposes determined by the Board, but these could be changed if considered appropriate. Because of this, they are classified as unrestricted in the Statement of Financial Activities and on the Balance Sheet. Details of these funds, their income and expenditure, balances and purposes are shown in note 20.

Restricted funds are for specific purposes enabling donors, who provide the majority of the income, to direct their donations to the funds in the knowledge they will only be spent on the specified purpose. Details of these funds are shown in note 21. The majority of funds are for locomotives and carriages and wagons restoration and maintenance but also a museum operating fund (which receives visitors' donations), a fund for developing Holt Goods Yard (also receives donations), a fund for the Heritage Lottery funded carriage sheds (the expense being the depreciation of the sheds' costs) and a fund for small grants (which receives donations).

Endowment Fund holds no cash and represents the face value of donated NNR shares and the acquisition cost of heritage assets.

All funds maintained positive balances at 31 January 2024 (2023 all positive).

Reserves Policy and Going Concern

The Board of Trustees is aware of the need to maintain as a minimum sufficient unrestricted free reserves to meet ongoing direct and administrative expenditure for a period of at least 12 months. At 31 January 2024 the balance on General Fund is £247,418 of which approximately £193,000 is represented by free reserves. This is more than adequate for the Society's average annual running costs referred to above and so the Board considers its minimum free reserves policy is being achieved and the Society is a going concern.

However, the Board is also aware of the need to generate additional unrestricted free reserves to help meet the costs of specific restoration and ongoing maintenance projects when there are insufficient specific funds. In the past the General Fund has provided funds towards steam loco overhaul costs, and asset purchases if other funds are unavailable.

Investment Policy

Cash which may be required at short notice is held in current and deposit accounts with the Society's banks except for that not required in the immediate short term which is deposited with CCLA Investment Management Ltd in its COIF Charity Funds. The Board considers this to be the most suitable place to safeguard such funds. However, with the receipt of the large legacy in 2019-20, the trustees reviewed the policy for market investments and sought appropriate investment advice. The new policy was adopted by the Board in their meeting on 21 September 2019.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

REPORT OF THE BOARD OF TRUSTEES – Continued**Financial Review (continued)***Investment Policy (continued)*

In formulating the policy, the Board had regard to the guidance given by the Charity Commission. A summary of the policy is as follows:

- Objectives - A target annual investment return of not less than 2% above the annual rate of inflation;
- Risk - Cautious, return as above and at least 60% of funds in assets with low to medium risk attached, diversified by asset class and fund manager with not more than 35% of funds invested in a single investment;
- Timeline - Not expected to liquidate in the short term, say less than three years; and
- Management of Investments - An Investment Committee comprising three Trustees to give instructions to investment/fund managers, monitor the investments' performance and report to the Board.

Other investment is in NNR shares and bonds which are explained elsewhere in this report.

Future Developments

The Society has a 5-year Strategic Plan which is reviewed and updated annually by the Board of Trustees. The 2022-26 Plan approved at the January 2022 board meeting, was partially reviewed in January 2023 as part of a wider review of strategy and structure. Following the appointment of a new Chairman in September 2023, work is ongoing at the date these accounts are approved.

Structure, Governance and Management*Governing Document and Constitution*

Midland and Great Northern Joint Railway Society ('the Society') is a charitable company limited by guarantee, incorporated on 17 April 1997 and registered as a charity on 30 July 1997. The company was incorporated under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Each principal member of the Society is, therefore, a member of the company and has a right to attend and vote at company general meetings. In the event of the company being wound up each member undertakes to contribute an amount not exceeding £1.

Recruitment and Appointment to Board of Trustees

Under the company's Memorandum and Articles, the directors are known as members of the Council of Management or Governing Body. The 2012 Strategy Plan introduced the designation Board of Trustees. The articles require all Board members to be members of the company. The Board has power to appoint any person to be a member of the Board and any member (of the Board) so appointed may hold office until the following Annual General Meeting and shall then be eligible for re-election. Members of the Board aged 70 or over are subject to annual re-election. Apart from these and those retiring by choice, one-third of the Board is subject to re-election on an annual basis.

The Board of Trustees is always mindful of the need to maintain skills, knowledge and commitment on the Board and is alert to potential new candidates. When suitable candidates become available, their attributes are considered and where appointment is appropriate and desirable, a vote is taken by the Board. Most candidates are generally already known and have usually held a volunteer role before being elected.

Organisational Structure and Decision Making

The Board of Trustees manages the Society. Board members are elected for their knowledge and/or expertise and each has specific unpaid executive responsibilities. The Board meets at least 6 times a year. In between meetings, matters requiring the Board's authorisation are dealt with by email and/or telephone and then ratified and minuted at its next meeting. Board members have responsibilities for projects and activities and have decision-making and spending authorities within parameters and budgets approved by the Board.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

REPORT OF THE BOARD OF TRUSTEES – Continued**Structure, Governance and Management (continued)***Organisational Structure and Decision Making (continued)*

As the Society is entirely voluntarily run, it has no Chief Executive Officer, but the Chairman and Treasurer, are regarded as senior staff and comprise an informal Executive Board and consult with the appropriate Trustee to deal with relevant matters as required. All trustees are consulted on major decisions by email with decisions ratified and recorded at the next Trustee Board meeting.

Risk Management

The Society's policy when carrying out a project is that there must be sufficient expectation that it will be able to meet all costs from existing funds or new donations, appeals and/or grant applications. No project is allowed to proceed without the Board of Trustees being reasonably satisfied that suitable funds can be or have been raised. The Board also requires regular written reports on progress and ongoing funding of projects.

The Society uses the operations of the NNR as a venue for public exhibition of its assets and provision of facilities for restoration and storage. The Board feels that the level of involvement and general co-operation between the two organisations has justified its investment and reduced the risk of commercial failure.

The Board is responsible for safeguarding the Society's assets and so ensures that relevant levels of insurance cover are provided where appropriate. The trend has been and will continue to be one of increasing cost and the Society jointly insures its risks with the NNR to ensure that there are no gaps or duplication in cover across the two organisations. The cover held by the Society is reviewed annually and approved by the Board.

Wherever possible, liability for the protection of Society assets is passed to users and borrowers of assets under formal running/display agreements. The Society strongly encouraged the formal locomotive inspection documentation, schedules and examinations introduced on the NNR (mainline standard A, B and C exams) in order to help safeguard the condition of its operational locomotives.

The Board is aware of the membership's ageing profile and seeks to involve younger members at Board level and in restoration projects to help deliver a secure membership base for the future.

The Board considers from time to time the major risks to which the Society may be exposed and where possible takes action or introduces procedures to mitigate those risks. The situation is kept under review.

Relationships with related parties

Under the terms of the Society's Memorandum of Association, it has the power to subscribe for shares, stocks, debentures or other securities of any other company, enabling it to invest monies not immediately required for furtherance of its objects in such investments, securities or property as the Board may consider fit.

Shares have been subscribed for in the NNR, which is not a charity, as part of the strategic alliance between the two organisations. The Society, which is the major shareholder, is able to appoint up to three Board members to the NNR Board and has other members on strategic committees which helps to strengthen the partnership. This investment has been made purely for the purpose of assisting that company to enhance facilities and equipment, creating a more secure and appropriate base for the Society's assets and a venue to enable the Society to exhibit its assets to the public. No financial return is anticipated as the NNR does not have authority under its Articles of Association to pay dividends. However, investments in NNR Bonds in February 2014, January 2017, February 2020, February 2023, February 2024 and April 2024 for a similar purpose do earn interest.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

REPORT OF THE BOARD OF TRUSTEES – Continued

Structure, Governance and Management (continued)

Relationships with related parties (continued)

The Society continues to support by other means, e.g. grants, specific heritage projects undertaken by the NNR which, in the opinion of the Board of Trustees, are in line with the Society's charitable activities and objectives.

The Society and NNR are related parties and details of transactions etc. are shown in note 16 to the accounts.

The current method of 'investment' provides the following non-monetary benefits:

- influence at the NNR Board level through involvement of our nominated representatives;
- improved relationships between the two organisations, enabling them to progress the same strategic aim of developing the railway between Sheringham and Holt as a live working heritage museum; and
- the Society's continued use of NNR's facilities for storage, restoration and maintenance of its assets.

Over time, the investment has aided the provision of a permanent home for the Society's other equipment, artefacts, documents and records, enabling more of these to be publicly exhibited than had previously been possible due to the lack of adequate display facilities. Thus, the investment continues to be particularly relevant to the Society in meeting its charitable aims although without any dividend or distribution return.

The Society also owns 100% of the issued capital in Midland & Great Northern Heritage Ltd, which was set up as a wholly owned subsidiary for non-charitable trading activities. At the date of publication of the financial statements the company was not trading.

Fundraising Activities

Society Trustees are legally responsible for the Society's fundraising activities and are committed to comply fully with the Charity Commission guidance CC20 on the duty of Trustees to have oversight of fundraising practices.

Society members are encouraged to donate to Society funds through articles and advertisements in *Joint Line*. Members of the public travelling on the NNR are invited through leaflets displayed there to become Society members or to contribute to the various funds which support our heritage assets and charitable activities. The Society website, through which our eBay shop operates, also details ways in which supporters can raise funds for the Society by using easyfundraising when they shop online with various retail sites. The Society does not cold call or make public or static collections and has not used the services of a professional fundraiser or commercial participator during the year. All funds raised are used to enable the Society to undertake activities in pursuit of its charitable objectives, and if given for a restricted purpose recorded as such and only used for that purpose.

All fundraising activity by the Society is monitored by the Trustees, who are not aware of any failure to comply with the Fundraising Code of Practice. No complaints about our fundraising were received during the year.

Responsibilities of the Board of Trustees

Company and charity law requires the Board of Trustees to prepare financial statements for each financial year. Under that law the Board has elected to prepare the financial statements in accordance with Generally Accepted Accounting Practice in the UK and Republic of Ireland and applicable law. The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of the incoming resources and application of resources, including income and expenditure, of the charitable company for the financial year. In preparing those financial statements, the Board is required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the current Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

REPORT OF THE BOARD OF TRUSTEES – Continued

Responsibilities of the Board of Trustees (continued)

The Board of Trustees is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Board is 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. Finally, the Board is responsible for the maintenance and integrity of the corporate and financial information included on the Society's website.

Members of the Board of Trustees

Members of the Board of Trustees, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year to 31 January 2024 were:

K R Ashford	S D Roberts
D J Ballard	N A Scarlett
A M Barrs (resigned 02 April 2023)	N Sharpe (resigned 23 September 2023)
M R Blee - Chairman	R H Spicker (resigned 09 April 2023)
A E Dewey - Treasurer and Company secretary	G P Wigglesworth - Vice Chairman
D C Greeno (did not seek re-election 22 July 2023)	

At the Trustees Board Meeting on 23 September 2023, M R Blee was appointed Chairman to replace N Sharpe and G P Wigglesworth was appointed Vice Chairman to replace A M Barrs.

Pursuant to Article 37, A E Dewey, S D Roberts and N A Scarlett, being age 70 or over at the forthcoming Annual General Meeting, are subject to annual re-election, and offer themselves for re-election at that meeting.

Pursuant to Articles 36 and 38 one-third of the remaining directors, G P Wigglesworth, retires and being eligible offers himself for re-election at the forthcoming Annual General Meeting.

As at 31 January 2024, M R Blee, G P Wigglesworth and A E Dewey represented the Society on the NNR Board.

The Society insures against risks to its assets and the various aspects of its activities by way of joint policies with the NNR. These include directors, officers and trustees' liability, including professional indemnity, cover and the estimated indemnity premium for Society board members is £240 (2023 £230), being a proportion of the total premium of £2,196 (2023 £2,100).

Independent Examiners/Auditors

Peters, Elworthy & Moore (PEM) were appointed Independent Examiners at the 2023 Annual General Meeting until the conclusion of the next AGM and the Trustees were authorised to fix their remuneration. When it became apparent that an audit would be required for the 2023/24 financial year, PEM were appointed Auditors by the Trustees at their Board Meeting in January 2024.

Exemption Statement

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 applicable to smaller companies subject to the small company regime.

M R Blee

M R Blee
Chairman

18 May 2024

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY**Opinion**

We have audited the financial statements of Midland and Great Northern Joint Railway Society (the 'charitable company') for the year ended 31 January 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2024 and of its incoming resources and application of resources, including its income and expenditure 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charitable company'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 other information comprises the information included in the Trustees' Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY (Continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes 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 charitable company'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.

Auditors' responsibilities for the audit of the financial statements

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 Auditors' 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:

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY (Continued)

Auditors' responsibilities for the audit of the financial statements (continued)

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with Trustees and other management, and from our knowledge of charity and company law and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charities Act 2011 and taxation legislation;
- in addition, we considered provisions of other laws and regulations which do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid material penalties; and
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, reviewing the minutes of Trustees' meetings and inspecting legal correspondence.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.
- performed analytical procedures to identify any unusual or unexpected relationships;
- we designed procedures to identify unexpected and unusual journal entries and performed testing to confirm the validity of such postings; and
- we evaluated the assumptions and judgements used by management within significant accounting estimates and assessed whether these indicated evidence of management bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any correspondence with relevant regulators such as the Charity Commission.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY (Continued)

Auditors' responsibilities for the audit of the financial statements (continued)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Other matters

The financial statements for the prior period were not audited.

Michael Hewett

Michael Hewett (Senior Statutory Auditor)

for and on behalf of

Peters Elworthy & Moore

Chartered Accountants

Statutory Auditors

Salisbury House

Station Road

Cambridge

CB1 2LA

Date: 23 May 2024

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

**STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JANUARY 2024**

	Note	Unrestricted funds £	Restricted funds £	Endowment fund £	2024 Total £	2023 Total £ As restated
Income and endowments from:						
Donations and legacies	3	22,498	314,782	-	337,280	77,807
Other trading activities	4	2,661	8,240	-	10,901	7,971
Investments & interest receivable	5	18,154	28,033	-	46,187	29,822
Charitable activities:						
Conservation activities	7	74,010	2,000	-	76,010	99,935
Education activities	8	2,115	-	-	2,115	2,108
Membership subscriptions	9	55,056	-	-	55,056	56,476
Primary purpose trading	10	15,086	38,366	-	53,452	40,395
Total income		<u>189,580</u>	<u>391,421</u>	<u>-</u>	<u>581,001</u>	<u>314,514</u>
Expenditure on:						
Raising funds	6	3,605	8,540	-	12,145	10,896
Charitable activities:						
Conservation activities	7	258,582	92,937	-	351,519	125,015
Education activities	8	5,218	3,303	-	8,521	24,596
Membership	9	61,263	-	-	61,263	54,015
Primary purpose trading	10	14,623	1,879	-	16,502	9,751
Total expenditure		<u>343,291</u>	<u>106,659</u>	<u>-</u>	<u>449,950</u>	<u>224,273</u>
Net (expenditure) / income before investment gains / losses		(153,711)	284,762	-	131,051	90,241
Net gains (losses) on investments	15	<u>-</u>	<u>11,237</u>	<u>-</u>	<u>11,237</u>	<u>(31,996)</u>
Net income before transfers	12	(153,711)	295,999	-	142,288	58,245
Transfers between funds	22	99,169	(164,869)	65,700	-	-
Net Movement in Funds		<u>(54,542)</u>	<u>131,130</u>	<u>65,700</u>	<u>142,288</u>	<u>58,245</u>
Total Funds brought forward		864,790	1,675,759	604,880	3,145,429	3,087,184
Total Funds carried forward	19	<u>810,248</u>	<u>1,806,889</u>	<u>670,580</u>	<u>3,287,717</u>	<u>3,145,429</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 17 to 34 form part of these financial statements.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
Company Limited by Guarantee Registered Number 03355411

BALANCE SHEET AS AT 31 JANUARY 2024

	Note	2024 £	2023 £ As restated
Fixed Assets			
Heritage assets	14	558,867	508,727
Tangible assets	14	360,914	372,390
Investments	15	1,217,035	1,208,876
Total fixed assets		2,136,816	2,089,993
Current Assets			
Stocks		118,310	95,953
Debtors	17	72,646	33,588
Cash at bank and in hand		1,079,247	973,274
Total current assets		1,270,203	1,102,815
Liabilities			
Creditors: Amounts falling due within one year	18	119,302	47,379
Net current assets		1,150,901	1,055,436
Total assets less current liabilities/net assets		3,287,717	3,145,429
Funds of the charity			
Endowment fund	22	670,580	604,880
Restricted income funds	21	1,806,889	1,675,759
Unrestricted funds	19	810,248	864,790
Total charity funds		3,287,717	3,145,429

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements, which have been prepared in accordance with the provisions applicable to companies subject to the small company regime.

The notes on pages 17 to 34 form part of these financial statements which comprise the Statement of Financial Activities (incorporating Income and Expenditure Account), Balance Sheet, Statement of Cash Flows and Notes thereto.

The financial statements were approved and authorised for issue by the Board of Trustees on 18 May 2024 and signed on its behalf by:

M R Blee

M R Blee – Chairman

A E Dewey

A E Dewey – Treasurer

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2024**

	Note	2024 Total £	£	2023 Total £	£
Cash flows from operating activities					
Net cash generated by operating activities	24	141,326		160,216	
Cash flows from investing activities					
Dividends, interest and rent from investments	24	46,187		29,822	
Purchase of property, plant and equipment	14	(85,318)		(15,919)	
Proceeds from the disposal of listed investments	15	77,785		118,155	
Purchase of listed investments	15	(75,260)		(113,828)	
		—————		—————	
Net cash from / (used in) from investing activities			(36,606)		18,230
			—————		—————
Change in cash and cash equivalents in the reporting period			104,720		178,446
Cash and cash equivalents at the beginning of the reporting period	25		978,328		799,882
			—————		—————
Cash and cash equivalents at the end of the reporting period	25		1,083,048		978,328
			—————		—————

The notes on pages 17 to 34 form part of these financial statements

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2024**1. Accounting policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Charities SORP (FRS 102) (Second Edition – October 2019) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). The financial statements also comply with the requirements of sections 394 and 395 of the Companies Act 2006, and with the requirements of that Act relating to the financial statements in so far as applicable to the company, and the Charities Act 2011. The Society constitutes a public benefit entity as defined by FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in sterling, being the functional currency of the Society and rounded to the nearest £1. There are no recognised gains or losses other than those included in net income. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). Other than the unrealised gains on quoted assets, historical cost surpluses and deficits are as recorded in the Statement of Financial Activities. During the year, there have been no discontinued activities or new activities acquired.

Going concern

The Board has assessed by means of budgets, forecasts and other information that the Society will have adequate reserves and cash twelve months from the date these accounts are approved to maintain the Society's assets in operational condition. Accordingly, the Board continues to adopt the going concern basis of accounting in preparing these financial statements.

Group accounts

These are the separate financial statements of the company as it is entitled to the exemption under Section 398 of the Companies Act 2006 from the obligation to prepare group accounts.

Fund Accounting

The Society's restricted funds relate to locomotives, rolling stock, museum and educational activities and grants for heritage projects. Restrictions arise when specified by the donor. Where the donor does not specify a particular fund, donations are included in unrestricted funds which are used in accordance with the charitable objects at the discretion of the Board of Trustees. This includes the designation of funds to specific projects, some of which may already be financed partly by restricted funds. Governance costs are charged to the general unrestricted fund. Endowment fund represents investments made by the Society under its Articles of Association, including in heritage assets.

Income

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

Membership subscriptions, which are treated as donations, income from support clubs, shop and other sales and museum entry fees are recognised upon receipt. Locomotive steaming and rolling stock hire fees represent fees earned during the period exclusive of VAT.

Donation income is recognised when received or, before receipt if it becomes reasonably certain that the donation will be received, and the value of the income can be reliably measured. Gift Aid reclaimed is included as received during the period and if claims have been lodged but not settled after the end of the period.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2024 continued**1. Accounting policies - continued***Income (continued)*

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Interest represents income received from bank and COIF deposits (with the latter allocated to funds with average balances of at least £10,000 throughout the period), the NNR bond and the steam loco legacy investments. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank. Wholesale educational publishing sales are included at the point of invoicing.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Expenditure is included on an accruals basis, exclusive of any VAT, provided that has been or is expected to be recovered. Costs are allocated to expense headings on a direct cost basis.

Trading costs are those incurred on the Charity's shops and publications. Costs of generating funds comprise costs associated with running the support clubs.

Charitable activities are costs incurred on the Charity's conservation and education activities, including support costs and costs relating to the governance of the Charity apportioned to charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include central costs. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made. This policy has been changed during the current year, resulting in a restating of the prior year figures as explained in Note 30.

Museum lease

The cost of the museum lease premium is being amortised over fifty years from August 2006 when the museum building first came into use. The lease actually runs for fifty years from 11 April 2008. The costs of museum tenant's improvements are being depreciated over twenty five years.

Stock

Stock consists of relevant merchandise for sale and exceptional quantities or items of materials or spares for restoration projects and maintenance which have been purchased to secure special items or to gain a price advantage. All stock has been valued at the lower of cost and net realisable value. In-house produced educational publications are not valued for stock purposes at the end of the year of publication or subsequently as they are considered as 'back issues' with less sales potential. Donated items for sale are not valued upon receipt or at the year-end due to the large volume of items received and which would be onerous to count. It is considered that the aggregate value at selling price remains reasonably constant.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2024 *continued*

1. Accounting policies - *continued*

Cash at bank and in hand

Cash at bank and cash 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.

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.

Financial instruments

The society only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Estimates and Judgements Policy

In the application of the Charity's accounting policies, Trustees are required to make judgements, estimates and assumptions. The estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Investments

Investments are included at fair value, as notified by the Society's Investment Managers, except for those not listed on a recognised stock exchange and subsidiary undertakings/associates which are included at cost or par value.

Intangible Income

No income is recognised for donated services etc. unless any cost borne by the donor can be determined. No monetary value is placed on the services of volunteers unless a value can be determined such as in grant claims.

Tangible Fixed Assets (including Heritage Assets) and Depreciation

Purchased items are included at cost and donated items are included at no value or cost associated with acquisition. Individual items costing less than £1,000 are not generally capitalised, although exceptional Museum Collection items may be.

Restoration costs of heritage assets are not capitalised as the expense is intended to restore the items to original condition and not enhance or alter them. Steam locomotive boiler overhaul costs have been capitalised as components with effect from 1 February 2012.

Depreciation is only charged on these historic artefacts and items where the carrying value is considered to be greater than the residual value. For operational heritage assets and locomotive boilers, depreciation is provided at the rate of 10% straight line. Other items are depreciated on a straight-line basis as follows: storage facilities 10%, office equipment 33⅓%, shop equipment 10%, museum fittings and equipment 10% and carriage sheds 2%. Annual impairment reviews of all tangible assets, except the Museum Collection, are carried out at the time of preparation of the financial statements and coinciding with the review of sums assured for insurance purposes.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2024 continued

2. Status

The Society has no share capital, being a company limited by guarantee incorporated in England and Wales and is a registered charity. Each member in the event of a winding up guarantees to contribute a sum not exceeding £1. Midland and Great Northern Joint Railway Society meets the definition of a public benefit entity under FRS 102.

3. Income from donations and legacies

	Unrestricted funds	Restricted funds	2024 Total funds	Unrestricted funds	Restricted funds	2023 Total funds
	£	£	£	£	£	£
Donations	5,457	33,445	38,902	6,172	45,898	52,070
Legacies	<u>17,041</u>	<u>281,337</u>	<u>298,378</u>	<u>22,491</u>	<u>3,246</u>	<u>25,737</u>
	<u>22,498</u>	<u>314,782</u>	<u>337,280</u>	<u>28,663</u>	<u>49,144</u>	<u>77,807</u>

4. Other trading activities

	Unrestricted funds	Restricted funds	2024 Total funds	Unrestricted funds	Restricted funds	2023 Total funds
	£	£	£	£	£	£
Locomotive support club	-	8,240	8,240	-	7,971	7,971
Model railway exhibition	<u>2,661</u>	<u>-</u>	<u>2,661</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,661</u>	<u>8,240</u>	<u>10,901</u>	<u>-</u>	<u>7,971</u>	<u>7,971</u>

5. Investments & interest receivable

	Unrestricted funds	Restricted funds	2024 Total funds	Unrestricted funds	Restricted funds	2023 Total funds
	£	£	£	£	£	£
UK quoted investments	-	14,539	14,539	-	13,472	13,472
UK unquoted investments	1,654	8,000	9,654	1,575	7,947	9,522
Bank interest	<u>16,500</u>	<u>5,494</u>	<u>21,994</u>	<u>5,141</u>	<u>1,687</u>	<u>6,828</u>
	<u>18,154</u>	<u>28,033</u>	<u>46,187</u>	<u>6,716</u>	<u>23,106</u>	<u>29,822</u>

6. Expenditure on raising funds

	Unrestricted funds	Restricted funds	2024 Total funds	Unrestricted funds	Restricted funds	2023 Total funds
	£	£	£	£	£	£
Expenditure						As restated
Locomotive support clubs	-	2,688	2,688	-	2,874	2,874
Model railway exhibition	1,382	-	1,382	-	-	-
Marketing & fundraising	1,809	788	2,597	2,089	523	2,612
Investment management charges	-	5,064	5,064	-	5,147	5,147
Support costs (note 11)	<u>414</u>	<u>-</u>	<u>414</u>	<u>263</u>	<u>-</u>	<u>263</u>
	<u>3,605</u>	<u>8,540</u>	<u>12,145</u>	<u>2,352</u>	<u>8,544</u>	<u>10,896</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2024 continued

7. Conservation activities

	Unrestricted funds £	Restricted funds £	2024 Total funds £	Unrestricted funds £	Restricted funds £	2023 Total funds £
						As restated
Income						
Locomotive & rolling stock hire fees	73,010	2,000	75,010	96,935	2,000	98,935
Premises licence fee	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
	<u>74,010</u>	<u>2,000</u>	<u>76,010</u>	<u>97,935</u>	<u>2,000</u>	<u>99,935</u>
Expenditure						
Maintenance & operation	169,114	2,061	171,175	54,804	2,166	56,970
Restoration costs	-	82,876	82,876	-	2,997	2,997
Insurance	10,640	-	10,640	10,079	-	10,079
Equipment & storage	1,100	132	1,232	1,100	-	1,100
Grants awarded (note 16)	13,001	-	13,001	-	-	-
Depreciation	35,006	7,868	42,874	33,510	7,868	41,378
Support costs (note 11)	<u>29,721</u>	<u>-</u>	<u>29,721</u>	<u>12,491</u>	<u>-</u>	<u>12,491</u>
	<u>258,582</u>	<u>92,937</u>	<u>351,519</u>	<u>111,984</u>	<u>13,031</u>	<u>125,015</u>
Net expenditure	<u>(184,572)</u>	<u>(90,937)</u>	<u>(275,509)</u>	<u>(14,049)</u>	<u>(11,031)</u>	<u>(25,080)</u>

8. Education activities

	Unrestricted funds £	Restricted funds £	2024 Total funds £	Unrestricted funds £	Restricted funds £	2023 Total funds £
						As restated
Income						
Museum entry fees	<u>2,115</u>	<u>-</u>	<u>2,115</u>	<u>2,108</u>	<u>-</u>	<u>2,108</u>
	<u>2,115</u>	<u>-</u>	<u>2,115</u>	<u>2,108</u>	<u>-</u>	<u>2,108</u>
Expenditure						
Equipment & storage	2,000	2,194	4,194	2,030	207	2,237
Subscriptions & donations	-	228	228	-	213	213
Grant awarded (note 16)	-	-	-	6,476	10,774	17,250
Depreciation	2,618	881	3,499	2,618	881	3,499
Support costs (note 11)	<u>600</u>	<u>-</u>	<u>600</u>	<u>1,397</u>	<u>-</u>	<u>1,397</u>
	<u>5,218</u>	<u>3,303</u>	<u>8,521</u>	<u>12,521</u>	<u>12,075</u>	<u>24,596</u>
Net expenditure	<u>(3,103)</u>	<u>(3,303)</u>	<u>(6,406)</u>	<u>(10,413)</u>	<u>(12,075)</u>	<u>(22,488)</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2024 continued

9. Membership

	Unrestricted funds £	Restricted funds £	2024 Total funds £	Unrestricted funds £	Restricted funds £	2023 Total funds £
Income						
Membership fees	<u>55,056</u>	-	<u>55,056</u>	<u>56,476</u>	-	<u>56,476</u>
	<u>55,056</u>	-	<u>55,056</u>	<u>56,476</u>	-	<u>56,476</u>
Expenditure						
Joint Line publishing	23,444	-	23,444	22,176	-	22,176
Administration	30,778	-	30,778	25,813	-	25,813
Support costs (note 11)	<u>7,041</u>	-	<u>7,041</u>	<u>6,026</u>	-	<u>6,026</u>
	<u>61,263</u>	-	<u>61,263</u>	<u>54,015</u>	-	<u>54,015</u>
Net (expenditure)/income	<u>(6,207)</u>	-	<u>(6,207)</u>	<u>2,461</u>	-	<u>2,461</u>

10. Primary purpose trading

	Unrestricted funds £	Restricted funds £	2024 Total funds £	Unrestricted funds £	Restricted funds £	2023 Total funds £
Income						
Shop & publishing sales	<u>15,086</u>	<u>38,366</u>	<u>53,452</u>	<u>14,172</u>	<u>26,223</u>	<u>40,395</u>
	<u>15,086</u>	<u>38,366</u>	<u>53,452</u>	<u>14,172</u>	<u>26,223</u>	<u>40,395</u>
Expenditure						
Cost of goods sold	12,661	1,879	14,540	6,527	2,089	8,616
Depreciation	281	-	281	281	-	281
Support costs (note 11)	<u>1,681</u>	-	<u>1,681</u>	<u>855</u>	-	<u>855</u>
	<u>14,623</u>	<u>1,879</u>	<u>16,502</u>	<u>7,663</u>	<u>2,089</u>	<u>9,752</u>
Net income	<u>463</u>	<u>36,487</u>	<u>36,950</u>	<u>6,509</u>	<u>24,134</u>	<u>30,643</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2024 continued**11. Support costs**

	2024	2023
	Total expenditure	Total expenditure
Expenditure		
Office rent & charges	9,250	9,128
Bank & credit card charges	2,209	1,744
Subscriptions & donations	533	813
Office equipment depreciation	-	278
Governance	24,081	7,247
Miscellaneous expenditure	<u>3,384</u>	<u>1,822</u>
	<u>39,457</u>	<u>21,032</u>
Allocated to		
Expenditure on raising funds (note 6)	414	263
Conservation activities (note 7)	29,721	12,491
Education activities (note 8)	600	1,397
Membership (note 9)	7,041	6,026
Primary purpose trading (note 10)	<u>1,681</u>	<u>855</u>
	<u>39,457</u>	<u>21,032</u>

Support costs are allocated to expenditure on the same ratio as the direct costs associated with the relevant area of activity.

12. Net income before transfers

This is stated after charging/crediting:

	2024	2023
	£	£
Depreciation	46,654	45,436
External Audit Fee/Independent Examiner's remuneration	18,500	2,950
Expenses reimbursed to Board Members	1,556	1,934
Operating lease rentals	9,100	9,100

13. Staff costs, trustee remuneration and expenses

The Society has no employees. Apart from K R Ashford who is full-time Chief Mechanical Engineer of the NNR, none of the trustees have been paid any remuneration or received any other benefits from employment by the Society or a related entity.

Expenses reimbursed to board members relate to supplies of materials, spare parts and fuel used in the restoration and operation of heritage assets, shop merchandise and other supplies and sundry administration. In all cases the suppliers are those with which the Society does not have credit accounts. The total amount of reimbursed expenses was £1,829 to 6 trustees and 1 related party (2023 - £1,934 to 6 trustees).

Trustees and members of their families make unconditional donations to the Society, either by way of regular monthly payments or occasional lump sums to support projects and public appeals. The aggregate total of such specifically identified donations from trustees and related parties in 2023-24 was £285 (2022-23 £451). There may have been additional unidentified donations placed in collecting boxes located at the Society's shop and museum.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2024 continued**14. Tangible Fixed Assets**

	Collection Assets	Locomotive Boilers	Heritage Assets Total	Leasehold Buildings	Fixtures, Fittings & Equipment	Tangible Assets Total	Total
	£	£	£	£	£	£	£
Cost at start of year	641,117	369,371	1,010,488	520,403	48,582	568,985	1,579,473
Additions in year	<u>65,000</u>	<u>19,318</u>	<u>84,318</u>	-	<u>1,000</u>	<u>1,000</u>	<u>85,318</u>
Cost at end of year	706,117	388,689	1,094,806	520,403	49,582	569,985	1,664,791
Depreciation at start of year	300,000	201,761	501,761	157,248	39,347	196,595	698,356
Charge for year	-	<u>34,178</u>	<u>34,178</u>	<u>10,923</u>	<u>1,553</u>	<u>12,476</u>	<u>46,654</u>
Depreciation at end of year	300,000	235,939	535,939	168,171	40,900	209,071	745,010
Net book value at end of year	<u>406,117</u>	<u>152,750</u>	<u>558,867</u>	<u>352,232</u>	<u>8,682</u>	<u>360,914</u>	<u>919,781</u>
Net book value at start of year	<u>341,117</u>	<u>167,610</u>	<u>508,727</u>	<u>363,155</u>	<u>9,235</u>	<u>372,390</u>	<u>881,117</u>

Collection assets (and their cost/net book value) comprise historical locomotives (£504,555/£204,555), a diesel multiple unit (£100,000/£100,000), carriages and wagons (£85,732/£85,732), a road vehicle (£9,739/£9,739) and artefacts and collections (£6,091/£6,091) held for preservation and educational purposes. Locomotives and some carriages and wagons are included at cost of acquisition; no value is included for donated items as this is usually not available. The ages range from about 50 to 130 years. Locomotives and some other rolling stock are operational subject to completion of restoration or overhaul; the remainder is for static or museum display. Locomotive boilers are components related to the historical locomotives.

Summary Analysis of Heritage Asset Transactions

	2024	2023	2022	2021	2020
	£	£	£	£	£
Purchases & capitalisation:					
Locomotives	45,000	-	-	60,000	-
Diesel multiple unit	-	-	-	100,000	-
Carriages and wagons	20,000	14,000	-	-	-
Other collection items	-	-	-	250	1,674
Locomotive Boilers	19,318	1,919	24,083	5,766	47,332
Charge for depreciation:					
Locomotive boilers	34,178	32,647	31,078	52,544	52,543

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2024 continued****15. Investments**

	2024		2023
	£	£	£
Shares in North Norfolk Railway PLC	<u>264,463</u>		
Total Shares in Associate at cost		<u>264,463</u>	<u>263,763</u>
North Norfolk Railway PLC Bond Issue 4	30,000		30,000
Midland & Great Northern Heritage Limited	1,000		1,000
Zenzic Loan Note	<u>100,000</u>		<u>100,000</u>
Total Unquoted Investments at cost		<u>131,000</u>	<u>131,000</u>
Cazenove Charity NURS Fund	302,187		304,070
Prudential Assurance and LGT Vestra Fund	<u>519,385</u>		<u>510,043</u>
Total quoted investments at fair value		<u>821,572</u>	<u>814,113</u>
Total investments at cost or fair value		<u>1,217,035</u>	<u>1,208,876</u>
Movement in quoted fixed asset investments:		2024	2023
		£	£
Opening Fair Value		809,059	845,382
Additions at cost		75,260	113,828
Disposal proceeds		(77,785)	(118,155)
Realised (losses) gains		(2,249)	3,073
Disposals at opening fair value		(80,034)	(115,082)
Net unrealised investment gains / (losses)		<u>13,486</u>	<u>(35,069)</u>
Fair value at end of the year		817,771	809,059
Cash held by investment managers for re-investment		3,801	5,054
Total quoted investments at fair value		<u>821,572</u>	<u>814,113</u>

Purchases of Ordinary Shares of £1 each in North Norfolk Railway PLC (NNR), an unlisted public company, have been at par. In addition, the Society has added to its shareholding by accepting gifts and bequests of shares from members and others and these are also included at par. At 31 January 2023 the total number of shares purchased was 214,090 and the total shareholding was 263,763. During the year no shares were purchased, and 700 shares were gifted to the Society, so at 31 January 2024 the total number of shares purchased was 214,090 and the total shareholding including gifted shares was 264,463. The Society is the largest single shareholder owning approximately 30.1% (2023 30.7%) of the issued share capital.

The Society's approximately 30.1% (2023 30.7%) proportions of the share capital and profits of the NNR are:

	2024		2023	
	£	%	£	%
Share Capital	264,463	30.1	263,763	30.7
Profit and loss account	(100,946)	30.1	(94,989)	30.7
Net loss for the year	(7,794)	30.1	(82,103)	30.7

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2024 continued**15. Investments - continued**

The not-for-profit constitution of the NNR precludes payment of any dividend or distribution on the Society's investment. However, the benefits that derive from the investment are considerable and are noted throughout the Report of the Board of Trustees. These include access to covered accommodation and engineering facilities for restoration and storage, a secure and appropriate base for the Society's assets and a venue to exhibit them to the public either operationally or static in accordance with the charitable objectives. While it is difficult to quantify a monetary value for the benefits, the Board is of the opinion that the value of the investment at cost in these accounts is not in excess of the potential value of the future ongoing benefits so derived. The Board therefore considers that a write down of the investment to its value of £163,517 in the NNR accounts is not appropriate.

The NNR fourth series Bond investment of £30,000 matured in April 2023, with the accrued interest of £4,729 being paid out. The £30,000 capital was rolled over into a fifth Bond issue for a 1-year term of 6% interest to be paid on maturity in April 2024. At the March 2024 meeting of Trustees, it was agreed that the £30,000 capital and £1,800 interest due should be rolled over into a new one-year Bond of capital £31,800 maturing in April 2025, at an interest rate to be advised.

The Society holds 1,000 ordinary £1 shares, being 100% of the issued and authorised share capital of Midland & Great Northern Heritage Limited (Company number 04009464). The company was set up to undertake non-charitable trading activities but is not currently trading.

The £100,000 Zenzic Loan note, an unquoted three-year fixed term property and property development bond guaranteeing a return of 8% per annum, interest paid six monthly, over the fixed term, matured in June 2022. It was reinvested for a further two years guaranteeing a return of 8% per annum, interest paid quarterly, over the fixed term, maturing in June 2024.

Quoted investments consist of an initial £800,000 invested in three managed mixed funds, which are stated at market value as at 31 January 2024.

Valuation

Listed investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value). The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the Charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so their ability to buy and sell quoted equities and stock is anticipated to continue. The Charity investments are mainly traded in markets with good liquidity and high trading volumes. The Charity has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Charity does not make use of derivatives and similar complex financial instruments. Investments are held for their longer-term yield and total return. Historic studies of quoted financial instruments have shown that short term volatility in any particular period will normally be corrected in the long-term.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2024 continued

16. Related Parties

The trustees are the legal directors of the charity and its subsidiary, and they do consider themselves part of the day-to-day management and are therefore key management personnel. However, none of the trustees received any remuneration or benefits during the year.

As outlined in note 15, Midland and Great Northern Joint Railway Society is the largest shareholder of the NNR. The following trustees holding office at the year-end are also directors of the NNR:

M R Blee
G Wigglesworth
A E Dewey

During the year sales to NNR were £71,004 (2023 £100,293) and purchases from them £72,756 (2023 £62,421) including assets of £nil (2023 £nil) but excluding shares. At the year end, NNR owed the Society £40,462 (2023 £Nil) and the Society owed NNR £24,434 (2023 £Nil), including VAT. During the year one grant was awarded to the NNR for £13,001 (2023 one grant to the NNR for £17,250).

There are leases in place between the NNR and the Society in respect to its Museum Building and Carriage Sheds with provision for peppercorn ground rents payable by the Society to the NNR.

With the acquisition of the second class 08 shunter and a Class 11 shunter, a ten-year agreement was signed with the NNR with effect from September 2023, whereby the Society shall use all reasonable endeavours to ensure that at least two of the shunters are available in full working order for use by the NNR providing an annual income of £9,600.

A further open-ended contract, with a one month's notice clause, was signed with the NNR whereby the NNR would pay the Society £150 per day, when the NNR made use of the Society's Grove Allen H404 mobile crane for use other than on Society business.

17. Debtors

	2024	2023
	£	£
Trade debtors	56	-
Amounts owed by group and associated undertakings	36,741	-
Prepayments and accrued income	14,643	18,580
Taxation and social security	9,810	-
Other debtors	<u>11,396</u>	<u>15,008</u>
	<u>72,646</u>	<u>33,588</u>

18. Creditors: Amounts falling due within one year

	2024	2023
	£	£
		As restated
Trade creditors	14,298	5,351
Amounts owed to group and associated undertakings	24,157	802
Accruals and deferred income	34,346	3,255
Taxation and social security	-	4,471
Other creditors – grants (note 30)	46,501	33,500
	<u>119,302</u>	<u>47,379</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2024 continued**19. Statement of Funds**

Statement of Funds – Current year	Balance at beginning of year	Income	Expenditure	Investment Gain	Transfers Note 22	Balance at end of year
	£	£	£	£	£	£
General Fund	269,452	117,271	(138,606)	-	(700)	247,418
Designated Funds Note 20	595,338	72,309	(204,685)	-	99,868	562,830
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Unrestricted Funds	864,790	189,580	(343,291)	-	99,168	810,248
Total Restricted Funds Note 21	1,675,759	391,421	(106,659)	11,237	(164,869)	1,806,889
Total Endowment Funds Note 22	604,880	-	-	-	65,700	670,580
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>3,145,429</u>	<u>581,001</u>	<u>(449,950)</u>	<u>11,237</u>	<u>-</u>	<u>3,287,717</u>

Statement of Funds – Prior year As restated	Balance at beginning of year	Income	Expenditure	Investment Gains	Transfers	Balance at end of year
	£	£	£	£	£	£
General Fund	364,565	86,644	(111,599)	-	(70,158)	269,452
Designated Funds – Note 20	458,816	119,426	(76,935)	-	94,031	595,338
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Unrestricted Funds	823,381	206,070	(188,534)	-	23,873	864,790
Total Restricted Funds Note 21	1,672,923	108,444	(35,739)	(31,996)	(37,873)	1,675,759
Total Endowment Funds Note 22	590,880	-	-	-	14,000	604,880
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>3,087,184</u>	<u>314,514</u>	<u>(224,273)</u>	<u>(31,996)</u>	<u>-</u>	<u>3,145,429</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2024 continued

20. Designated Funds

Current year	Balance at beginning of year £	Income £	Expenditure £	Transfers Note 22 £	Balance at end of year £
‘Loco Pot’	449,847	72,110	(202,685)	162,054	481,326
Operation Phoenix	67,000	-	(2,000)	-	65,000
Special Projects	78,491	199	-	(62,186)	16,504
	<u>595,338</u>	<u>72,309</u>	<u>(204,685)</u>	<u>99,868</u>	<u>562,830</u>
Prior year As restated	Balance at beginning of year £	Income £	Expenditure £	Transfers £	Balance at end of year £
‘Loco Pot’	389,816	96,935	(74,935)	38,031	449,847
Operation Phoenix	69,000	-	(2,000)	-	67,000
Special Projects	-	22,491	-	56,000	78,491
	<u>458,816</u>	<u>119,426</u>	<u>(76,935)</u>	<u>94,031</u>	<u>595,338</u>

The Trustees established a steam locomotive fund (‘Loco Pot’) which receives the steaming fees of the B12, J15/Y14 and WD when operational. The fund was subsequently expanded to include *Ring Haw*, *Wissington*, the Class 08s and Class 11, the Class 31 and the Class 101 DMU. The above figures therefore include usage fees and repairs to the Society’s entire motive power fleet. This fund helps defray the costs of repairs and major overhauls of the locomotives with back-up funding from other steam locomotive funds and support clubs as required. With the restricted Steam Loco Legacy fund available solely for this purpose, the Society is well funded for repairs and major overhauls of its locomotives.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2024 continued

21. Restricted Funds

Current year	Balance at beginning of year	Income	Expenditure	Investment Gains	Transfers Note 22	Balance at end of year
	£	£	£	£	£	£
Loco Club (all locos)	67,591	12,716	-	-	(13,630)	66,677
J15	12,156	4,145	(1,294)	-	(14,620)	387
B12	4,618	3,906	(1,349)	-	(5,860)	1,315
B12 Overhaul Appeal	58,179	6,297	(706)	-	(61,989)	1,781
WD	1,675	1,070	-	-	(1,740)	1,005
Wissington	3,894	510	-	-	(1,344)	3,060
Ring Haw	510	3,899	(46)	-	(2,882)	1,481
Steam Loco Legacy	1,093,347	27,914	(5,063)	11,237	-	1,127,435
31 Fund (Class 31)	910	394	-	-	(50)	1,254
Diesel Club	7,090	1,515	-	-	-	8,605
Heritage Coach Fund	75,339	40,583	(85,802)	-	64,777	94,897
Quad Art Set	2,592	-	-	-	(2,592)	-
Museum	43,330	4,900	(1,530)	-	-	46,700
Museum Improvements	19,150	-	(880)	-	-	18,270
Holt Development	5,294	222	-	-	-	5,516
Carriage Sheds	275,342	-	(7,868)	-	-	267,474
Railway Cottage	2,167	2,013	(2,121)	-	-	2,059
Society Grants	2,575	-	-	-	-	2,575
Loco & RS Legacy Fund	-	281,337	-	-	(124,939)	156,398
	<u>1,675,759</u>	<u>391,421</u>	<u>(106,659)</u>	<u>11,237</u>	<u>(164,869)</u>	<u>1,806,889</u>
Prior year	Balance at	Income	Expenditure	Investment	Transfers	Balance at
As restated	beginning of year	£	£	Losses	£	end of year
	£	£	£	£	£	£
Loco Club (all locos)	78,954	13,274	(121)	-	(24,516)	67,591
J15	8,089	7,892	(1,325)	-	(2,500)	12,156
B12	7,749	3,872	(1,428)	-	(5,575)	4,618
B12 Overhaul Appeal	49,968	7,966	(406)	-	651	58,179
WD	4,965	1,370	-	-	(4,660)	1,675
Wissington	3,384	510	-	-	-	3,894
Ring Haw	375	135	-	-	-	510
Steam Loco Legacy	1,107,388	23,102	(5,147)	(31,996)	-	1,093,347
31 Fund (Class 31)	1,246	444	-	-	(780)	910
Diesel Club	5,692	1,515	(117)	-	-	7,090
Heritage Coach Fund	52,001	29,112	(5,774)	-	-	75,339
Quad Art Set	2,592	-	-	-	-	2,592
Museum	39,248	5,756	(1,674)	-	-	43,330
Museum Improvements	20,030	-	(880)	-	-	19,150
Holt Development	4,964	330	-	-	-	5,294
Carriage Sheds	283,210	-	(7,868)	-	-	275,342
Railway Cottage	-	2,392	(225)	-	-	2,167
PEG Fund	-	10,774	(10,774)	-	-	-
Society Grants	3,068	-	-	-	(493)	2,575
	<u>1,672,923</u>	<u>108,444</u>	<u>(35,739)</u>	<u>(31,996)</u>	<u>(37,873)</u>	<u>1,675,759</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2024 continued**21. Restricted Funds - continued**

The income of the funds relates to donations, other contributions, shop retail and donated sales, investment income, bank interest, and designated by the Trustees, Heritage Coach Fund rolling stock hire of £2,000.

At 31 January 2024 the Loco Club fund balance of £66,677 is attributable as follows: General (all locos) £13,316 J15 £4,685, B12 £5,067, W1500 £38,254, WD £1,723, *Wissington* £2,226, *Ring Haw* £237 and Class 31 £1,169. The transfers of £13,630 are to 'Loco Pot' towards repairs and maintenance costs of all locomotives which the club supports.

During the year one new fund was created:

The Loco and Rolling Stock Legacy Fund was created from the receipt of a legacy of £281,377. The condition of the legacy was that it was to be 'used for the maintenance and purchase of locomotives and rolling stock as the Society considers appropriate'. During the year, transfers of £124,939 were made from this fund to 'Loco Pot' as follows:

- to purchase Class 08 Shunter D3940 - £45,000;
- to purchase Parcel Miscellaneous Vehicle S1439 - £20,000; and
- to fund the overhaul costs of B12/3 locomotive 8572 - £59,939.

22. Endowment Fund and transfers between funds

Endowment Fund – This is not a cash fund. All purchased heritage assets are represented in Endowment Fund, demonstrating the strategic permanency of the Society's ownership as they are unlikely to be sold or otherwise disposed of except in exceptional circumstances. Where boilers are overhauled, although classified as heritage assets and depreciated over their ten-year ticket life, the value is not reflected in the Endowment Fund. Similarly, the investment in NNR shares is represented in Endowment due to the permanent nature and purpose of these in the pursuit of the charitable objectives as explained in note 15 and throughout the Report of the Board of Trustees. The transfer to Endowment Fund of £65,700 represents the cost of the purchase of the Class 08 Shunter D3940 and the Parcel Miscellaneous Vehicle S1439 for £65,000 as detailed in Note 21 and £700 from the gift of 700 NNR Ordinary Shares of £1 as detailed in Note 15.

Other Funds

Transfers of £62,186 were made from the Special Projects Fund to the Heritage Coach Fund to fund the restoration of the Gresley Brake Third Open Coach number E43556. The opening balance on the Quad Art Set restricted fund was transferred to the JHCF restricted fund to offset the cost of reprofiling the Quad Art wheelsets that was borne by the JHCF fund.

The transfers totalling £102,115 from individual restricted funds are to 'Loco Pot' as contributions towards repairs and maintenance. Although the Society has a Steam Loco Legacy restricted fund for locomotive overhauls, the Trustees aim to allocate any unexpected unrestricted sources of income to fund locomotive overhauls, to preserve the restricted fund into the future, when such sources of income may not be available.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2024 continued**23. Analysis of net assets between funds**

	Designated Funds	General Fund	Restricted Funds	Endowment Fund	Total Funds
	£	£	£	£	£
Tangible fixed assets	217,749	10,173	285,742	406,117	919,781
Investments	-	31,000	921,572	264,463	1,217,035
Net current assets	345,081	206,245	599,575	-	1,150,901
	<u>562,830</u>	<u>247,418</u>	<u>1,806,889</u>	<u>670,580</u>	<u>3,287,717</u>

Prior year	Designated Funds	General Fund	Restricted Funds	Endowment Fund	Total Funds
	£	£	£	£	£
Tangible fixed assets	234,610	10,899	294,491	341,117	881,117
Investments	-	31,000	914,113	263,763	1,208,876
Net current assets	360,728	227,553	467,155	-	1,055,436
	<u>595,338</u>	<u>269,452</u>	<u>1,675,759</u>	<u>604,880</u>	<u>3,145,429</u>

24. Reconciliation of net income to net cash flow from operating activities

	2024	2023
	£	£
		As restated
Net income for the year (as per the statement of financial activities)	142,288	58,245
Depreciation charges	46,654	45,436
Donation of shares	(700)	-
Gains/ (losses) on investments	(11,237)	31,996
Dividends, interest and rent from investments	(46,187)	(29,822)
(Increase) / decrease in stocks	(22,357)	(26,600)
(Increase) / decrease in debtors	(39,058)	63,807
Increase in creditors	71,923	17,154
	<u>141,326</u>	<u>160,216</u>

25. Analysis of cash and cash equivalents

	2024	2023
	£	£
Cash at bank and in hand	1,079,247	973,274
Cash held by investment managers for re-investment	3,801	5,054
	<u>1,083,048</u>	<u>978,328</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2024 continued**26. Analysis of changes in net debt**

	At 1 February 2023 £	Cash Flows	At 31 January 2024 £
Cash and cash equivalents	978,328	104,720	1,083,048
	<u>978,328</u>	<u>104,720</u>	<u>1,083,048</u>

27. Contracts and Commitments*Contracted*

A contract for the supply, installation and commissioning of a steam heat boiler for Class 31 locomotive no. D5631 was entered into with King's Boiler Hire Ltd in October 2017 in the sum of £21,996. At 31 January 2024 £2,000 of the contract remained to be completed. It is planned for this work to be concluded by next winter, including the commissioning of the whole steam heating system. The loco returned to traffic in July 2021 following completion of its mechanical and electrical overhaul.

A contract for the dismantling and overhaul of 0-6-0 ST No. 1982 *Ring Haw* was entered into with the NNR in January 2022 in the sum of £186,007. Subsequently in 2022 a decision was made to outsource the chassis overhaul. In December 2022 a contract for this was entered into with The Flour Mill Ltd in the sum of £133,380. Work had not commenced by 31 January 2024, although investigations continue into the processes and costs of casting and machining etc. a new cylinder block. The boiler overhaul work remains with the NNR. The value of that within the January 2022 contract plus costs of additional work since found necessary is £134,280. At 31 January 2024 works to the value of £21,892 had been completed.

In January 2023 a contract for the overhaul of B12 8572's chassis and tender was entered into with Riley & Son (Electromec) Limited in the sum of £299,615. Work commenced in April 2023 and by 31st January 2024 variations to the scope of works added £79,186 to the contact sum to make £378,801. At 31 January 2024 the value of completed works was £109,606. The overhaul of the boiler is being carried out by the NNR under a September 2023 contract in the sum of £188,171. Works to the value of £4,454 had been completed at 31 January 2024.

Contingent Commitments

The Board are not aware of any commitments, other than those noted above, that required disclosure in these financial statements.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2024 continued

28. Commitments under Operating Leases

At 31 January 2024 there were future minimum lease payments under non-cancellable operating leases for land and buildings as follows:

	2024	2023
	£	£
Not later than 1 year	8,250	9,000
Later than 1 year and not later than 5 years	-	8,250
	<u>8,250</u>	<u>17,250</u>

29. Post Balance Sheet Events

The Board considers there are no post balance sheet events that materially affect these financial statements.

30. Prior Year Adjustment – Grants

The accounting policy concerning the recognition of grants paid has been changed in the current year. Previously, grants awarded were recognised only when paid, not when awarded, with the current total of outstanding grant being noted as a contingent liability. The policy has been changed to be consistent with SORP requirements in that awarded grants are recognised as current liabilities at the point they are awarded.

As a result, a prior year adjustment has been made to reflect grants awarded prior to 1 February 2023 as follows:

Grants awarded prior to 1 February 2022	£16,250 adjusted on opening general reserves, Note 19.
Grants awarded in the year ended 31 January 2023	£17,250 adjusted on Education activities, Note 8.

Movements in grants payable

	£
Grants payable at 1 February 2023	33,500
Grants awarded in the year – Conservation note 7	13,001
Grants paid in the year	<u>-</u>
Grants payable at 31 January 2024	<u>46,501</u>

Creditors for grants awarded are disclosed as other creditors in the appropriate year in Note 18.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

England & Wales - Charity number 1063676

Accounts

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY



Registered Office: Sheringham Station, Sheringham, Norfolk, NR26 8RA
A Company Limited by Guarantee Registered No. 03355411
Registered Charity No. 1063676

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023**

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

Reference and Administrative Details
Company Information

Board of Trustees (Directors)

N Sharpe (Chairman)
K R Ashford
D J Ballard
M R Blee
A E Dewey
D C Greeno
S D Roberts
N A Scarlett
G Wigglesworth

Company Secretary

A E Dewey

Registered Office

Sheringham Station
Sheringham
Norfolk, NR26 8RA

Registered Company Number

03355411

Registered Charity Number

1063676

Working Names

M&GN Society
M&GN Joint Railway Society
M&GNJRS

Independent Examiner/Auditor

Mr M Hewett FCA DChA
Peters, Elworthy & Moore
Salisbury House
Station Road
Cambridge, CB1 2LA

Bankers

Lloyds Bank plc
1 West Street, Cromer
Norfolk, NR27 9HZ

Barclays Bank plc
P O Box 1, Banbury
Oxon, OX16 8PS

Paypal
Ballycoolin Industrial Estate
Dublin 15, Ireland

SumUp Payments Limited
32-34 Great Marlborough Street
London, W1F 7JB

CCLA Investment Management Limited
One Angel Lane
London, EC4R 3AB

Investment Managers

Cazenove Capital
1 London Wall Place
London, EC2Y 5AU

Insight Financial Advisors
7a Alkmaar Way
Norwich International Business Park
Norwich, Norfolk, NR6 6BF

REPORT OF THE BOARD OF TRUSTEES

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the independently examined financial statements of Midland & Great Northern Joint Railway Society (the Charity/Society) for the year ended 31 January 2023. The Trustees confirm that the annual report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition - October 2019).

The Charity qualifies as small under section 383, so the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 is not required.

Objectives and Activities

Objectives

The Society's principal objective is to advance public education by the acquisition, restoration, preservation and exhibition of locomotives, rolling stock and other railway artefacts and, in particular, those of the former Midland and Great Northern Joint Railway (M&GNJR) and its antecedent and successor companies. Its vision for the foreseeable future is to focus on the geographical area of the M&GNJR and other aspects of East Anglian railway history by means of this mission statement (reaffirmed annually in the 2018-2023 Strategic Plan).

- a) Ownership, restoration and operational display of locomotives appropriate to the Society;
- b) Ownership, restoration and operational display (where practicable) of historic carriages and wagons;
- c) Assisting other organisations to restore and display locomotives, rolling stock and other railway structures and artefacts, through the provision of financial support, technical advice or such other appropriate support;
- d) Ownership and display of museum collections that inform and educate;
- e) Assisting other organisations with an interest in educating about railway history, through the provision of advice, access to and loan of artefacts in the Society's possession and other appropriate support;
- f) The North Norfolk Railway (NNR) to be the Society's preferred (but not necessarily exclusive) partner for pursuing the aims in a) to e) above; and
- g) Maximise the Society's revenue earning capability in order to support the above aims.

Main Activities

The Society's main activities undertaken in relation to the above purposes are as follows:

- acquisition, restoration, preservation and exhibition of the railway items mentioned above principally utilising the facilities of the NNR which assists in these being achieved;
- scheduled running of locomotives, carriages and rolling stock for public access, mainly on the NNR but occasionally at other locations;
- where possible contracting restoration and maintenance works to the NNR's engineering facilities at Weybourne but using outside specialist contractors or volunteers where considered appropriate;
- operating the *William Marriott Museum* (WMM) at Holt for the display of artefacts and documents;
- operating a shop selling, amongst other items, railway publications of an historical and educational nature and increasingly, those produced in-house; and
- awarding grants to the NNR and others to support projects that are consistent with the Society's principal objective.

Main Activities to Further the Society's Purposes for the Public Benefit

The Society is based at the NNR, whose aims are to operate a heritage railway for the benefit of the public, currently 5¼ miles from Sheringham via Weybourne to Holt. Train services normally operate on around 280 days of the year for public enjoyment. This enables members of the public to view the Society's preserved steam and diesel locomotives in operation hauling carriages owned by the NNR but occasionally, particularly at special events, visitors may also travel in the Society's preserved operational vintage carriages.

REPORT OF THE BOARD OF TRUSTEES – Continued

Objectives and Activities (continued)

Main Activities to Further the Society's Purposes for the Public Benefit (continued)

The NNR's engineering facilities where Society locomotives and rolling stock are restored and maintained are not generally open to the public for safety reasons but viewing can be arranged, and guided tours are offered at some special events. The *William Marriott Museum*, named after the M&GNJR's chief engineer, located at Holt houses the Society's extensive collection of railway objects, artefacts and records. It is open to the public every day when the railway is running and offers free entry to visitors arriving by train. The Railway Cottage at Holt is also an attraction in its own right by re-creating how it may have presented in 1935.

These activities help to educate and entertain the general public as part of the development and history of railways. They are complemented by the educational reading material in the museum and the publications about railways which are available to purchase from the Society's Weybourne shop, the museum and online.

Public Benefit

The Society aspires to be a professional charitable organisation, adding historical value to the knowledge of the general public about the "M&GNJR" and East Anglian railways in general, in a manner which is both educational and fun for its members and the general public.

In the exercise of its powers in relation to its objectives and missions, the Board of Trustees has paid due regard to the published guidance from the Charity Commission on the operation of the Public Benefit requirements under the Charities Act 2011.

Volunteers

The Society relies entirely on volunteers to achieve its aims and objectives and has no paid staff. Volunteers are involved with restoration and maintenance projects, running the Society's Museum, sales and fund-raising, marketing, finance, governance and administration. Volunteers of the Society are normally members who pay an annual subscription, often supplemented by regular or one-off donations to their choice of fund and many are also volunteers for the NNR.

Achievements and Performance

Summary of the Main Achievements

Conservation (Restoration) – The *Joint Heritage Coach Fund* volunteers' team continued to make steady progress in the workshop on Thompson BSF 1866. At Holt in its 'tent' the outside team refreshed Shell BP tanker I64686 and progressed restoration of the M&GN dray. Although the purchase and restoration of Gresley Brake Third Open (BTO) E43556 is being funded from legacies (see note 20), the acquisition is significant as being the final piece in the jigsaw of creating an LNER five coach set. At about the same time as the acquisition, the opportunity arose to purchase a considerable amount of Gresley coach spares, including bogies.

Conservation (Operation) – The Railway opened for February half term and remained so up to planned closure in early January 2023. This provided the opportunity for Society steam locomotives, excluding withdrawn B12 and *Ring Haw*, to maximise steaming days, although pegged back when diesels were substituted at the height of the heatwave and drought. Total turns were 160 (2022 151) with B12 0 (2022 54), Y14 89 (2022 43) and WD 71 (2022 54). For the diesels, Class 31 achieved 84 turns (2022 37), including shunting and trip workings. The Class 08 was again on duty as Sheringham pilot. The Class 101 DMU was split for maintenance and other operational reasons, the power car achieving 38 turns and trailer car 18 turns compared with 101 turns for the unit in 2022.

REPORT OF THE BOARD OF TRUSTEES – Continued

Achievements and Performance (continued)

Summary of the Main Achievements (continued)

Conservation (Maintenance and overhauls) – Following last year’s probably record low motive power maintenance costs of just over £13k, this year came in at just over £42k for all power units but including B12 and *Ring Haw* dismantling costs. In addition, *Wissington*’s new partially-machined cylinder castings cost £11k this year as spares stock held in store until required. Meanwhile, following arrival at *Mid Suffolk Light Railway* in June and involvement in an incident, the loco developed a mysterious problem which couldn’t be resolved in time for it to operate in its shortened season there.

As indicated above Class 31 D5631 was kept busy throughout, incurring only minimal maintenance costs. Work continues to complete the installation of the new steam heating system.

The B12 chassis and tender and *Ring Haw* chassis were finally sent off to their respective contractors in April/May 2023 and the pace of the overhauls is expected to quicken, including the boilers left at Weybourne.

The Austin K2 lorry became operational again in March, incurring minimal running costs during the season. The Grove Allen crane’s overhaul, including load testing and some new tyres, was completed by November at a cost of just under £12k. This enabled it to undertake the boiler lifts of the B12 and *Ring Haw* soon after.

Museum – *William Marriott Museum* was open for a full season February – October 2022. Visitor numbers were 15,971 (2021 July – October 5,848).

Railway Cottage at Holt – Like the museum, the cottage opened for a full season in 2022. Visitor numbers were over 19,000 (2021 July – October over 8,000).

Other education – *Joint Line* continued to maintain its high-quality standards as a journal. It is now available in pdf format which should benefit overseas members by saving them overseas postage. During the year the NNR took on a new engineering apprentice at Weybourne for a three-year term. The Society has agreed to sponsor the apprentice’s salary costs, educational materials and travelling costs to day release at a college in King’s Lynn throughout the three academic years from October 2022. The costs incurred by the NNR will be reimbursed to it by way of a Society grant.

Grants – Apart from the apprenticeship grant above, there were no new grant applications nor drawdown applications for approved grants during the year.

Legacies – Five cash legacies totalling £25,736 were notified and accounted for in 2022-23, although one was the final distribution from a previously notified and accounted for legacy. Directions for spending are attached on two legacies, one to the J15(Y14) locomotive £2,995 and one to the museum £250. There are no directions attached to the other three totalling £22,491 and the trustees have designated these to the new ‘Special Projects’ fund (see note 20).

Investments – The portfolios did not perform well during most of the year. Starting at £850k aggregate fair values they declined in value through the first three quarters to £790k but did recover to £814k at year end, just ahead of the £800k original investment from the legacy in 2019. Despite the turmoil of most of the year, the investments again delivered over £13k of income (2022 - £13k). The unquoted Loan Note of £100k, which matured in June 2022 but was reinvested for a further two years to June 2024, continued to provide an 8% cash annual return.

Primary Purpose Trading comprising Weybourne bookshop, eBay shop and own-publications increased turnover by 30% to over £40k (2022 £31k), with Weybourne bookshop fully re-open from February 2022. These sales produced over £30k of net income compared with just under £16k in 2022.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

REPORT OF THE BOARD OF TRUSTEES – Continued

Financial Review

The results for the year are set out in the attached financial statements from page 10 onwards. Total incoming resources amounted to £314,514 (2022 £321,361) which, after total expenditure of £207,023 (2022 £169,575) and unrealised investment losses of £31,996 (2022 gains £20,474), resulted in net income before transfers of £75,495 (2022 £172,260). At the end of the period, the Society had net assets of £3,178,929 (2022 £3,103,434).

General Fund is the sole purely unrestricted fund. The income amounted to £86,644 with expenditure of £105,123 and net transfers to other funds of £75,158 (see notes 19 and 22). Members' subscriptions raised £56,477 (including Gift Aid) to meet the Society running costs of £86,081, including *Joint Line*, asset insurance, premises, equipment, storage, administration and governance. Weybourne shop contributed £7,771 gross margin from sales of purchased goods. Donations (including Gift Aid), bequests, museum entry fees, interest received, and sundry income produced £15,995.

Designated funds have purposes determined by the Board, but these could be changed if considered appropriate. Because of this, they are classified as unrestricted in the Statement of Financial Activities and on the Balance Sheet. Details of these funds, their income and expenditure, balances and purposes are shown in note 20.

Restricted funds are for specific purposes enabling donors, who provide the majority of the income, to direct their donations to the funds in the knowledge they will only be spent on the specified purpose. Details of these funds are shown in note 21. The majority of funds are for locomotives and carriages and wagons restoration and maintenance but also a museum operating fund (which receives visitors' donations), a fund for developing Holt Goods Yard (also receives donations), a fund for the Heritage Lottery funded carriage sheds (the expense being the depreciation of the sheds' costs) and a fund for small grants (which receives donations).

Endowment Fund holds no cash and represents the acquisition values of NNR shares and heritage assets.

All funds maintained positive balances at 31 January 2023 (2022 all positive).

Reserves Policy and Going Concern

The Board of Trustees is aware of the need to maintain as a minimum sufficient unrestricted free reserves to meet ongoing direct and administrative expenditure for a period of at least 12 months. At 31 January 2023 the balance on General Fund is £287,178 of which approximately £245,000 is represented by free reserves. This is more than adequate for the Society's average annual running costs referred to above and so the Board considers its minimum free reserves policy is being achieved and the Society is a going concern.

However, the Board is also aware of the need to generate additional unrestricted free reserves to help meet the costs of specific restoration and ongoing maintenance projects when there are insufficient specific funds. In the past the General Fund has provided funds towards steam loco overhaul costs, and has funded the acquisition of the mobile crane and maintenance of the crane, Class 08 shunter and Austin lorry.

Investment Policy

Cash which may be required at short notice is held in current and deposit accounts with the Society's banks except for that not required in the immediate short term which is deposited with CCLA Investment Management Ltd in its COIF Charity Funds. The Board considers this to be the most suitable place to safeguard such funds. However, with the receipt of the large legacy in 2019-20, the trustees reviewed the policy for market investments and sought appropriate investment advice. The new policy was adopted by the Board in their meeting on 21 September 2019.

REPORT OF THE BOARD OF TRUSTEES – Continued

Financial Review (continued)

Investment Policy (continued)

In formulating the policy, the Board had regard to the guidance given by the Charity Commission. A summary of the policy is as follows:

- Objectives - A target annual investment return of not less than 2% above the annual rate of inflation;
- Risk - Cautious, return as above and at least 60% of funds in assets with low to medium risk attached, diversified by asset class and fund manager with not more than 35% of funds invested in a single investment;
- Timeline - Not expected to liquidate in the short term, say less than three years; and
- Management of Investments - An Investment Committee comprising three Trustees to give instructions to investment/fund managers, monitor the investments' performance and report to the Board.

Other investment is in NNR shares and bonds which are explained elsewhere in this report.

Future Developments

The Society has a 5-year Strategic Plan which is reviewed and updated annually by the Board of Trustees. It was partially reviewed in January 2023 as part of a wider review of strategy and structure. A second meeting took place in March 2023 and work on this is ongoing at the date these accounts are approved.

Structure, Governance and Management

Governing Document and Constitution

Midland and Great Northern Joint Railway Society ('the Society') is a charitable company limited by guarantee, incorporated on 17 April 1997 and registered as a charity on 30 July 1997. The company was incorporated under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Each principal member of the Society is, therefore, a member of the company and has a right to attend and vote at company general meetings. In the event of the company being wound up each member undertakes to contribute an amount not exceeding £1.

Recruitment and Appointment to Board of Trustees

Under the company's Memorandum and Articles, the directors are known as members of the Council of Management or Governing Body. The 2012 Strategy Plan introduced the designation Board of Trustees. The articles require all Board members to be members of the company. The Board has power to appoint any person to be a member of the Board and any member (of the Board) so appointed may hold office until the following Annual General Meeting and shall then be eligible for re-election. Members of the Board aged 70 or over are subject to annual re-election. Apart from these and those retiring by choice, one-third of the Board is subject to re-election on an annual basis.

The Board of Trustees is always mindful of the need to maintain skills, knowledge and commitment on the Board and is alert to potential new candidates. When suitable candidates become available, their attributes are considered and where appointment is appropriate and desirable, a vote is taken by the Board. Most candidates are generally already known and have usually held a volunteer role before being elected.

Organisational Structure and Decision Making

The Board of Trustees manages the Society. Board members are elected for their knowledge and/or expertise and each has specific unpaid executive responsibilities. The Board meets at least 6 times a year. In between meetings, matters requiring the Board's authorisation are dealt with by email and/or telephone and then ratified and minuted at its next meeting. Board members have responsibilities for projects and activities and have decision-making and spending authorities within parameters and budgets approved by the Board.

REPORT OF THE BOARD OF TRUSTEES – Continued

Structure, Governance and Management (continued)

Organisational Structure and Decision Making (continued)

As the Society is entirely voluntarily run, it has no Chief Executive Officer, but the Chairman, Vice-Chairman, Treasurer, Society Secretary and Company Secretary are regarded as senior staff and comprise an informal Executive Board to deal with relevant matters as required. This arrangement applied throughout the financial year of these accounts and continued into the new year when it was suspended upon the resignations of two of the trustees for personal reasons in early April 2023 (see page 9).

Risk Management

The Society's policy when carrying out a project is that there must be sufficient expectation that it will be able to meet all costs from existing funds or new donations, appeals and/or grant applications. No project is allowed to proceed without the Board of Trustees being reasonably satisfied that suitable funds can be or have been raised. The Board also requires regular written reports on progress and ongoing funding of projects.

The Society uses the operations of the NNR as a venue for public exhibition of its assets and provision of facilities for restoration and storage. The Board feels that the level of involvement and general co-operation between the two organisations has justified its investment and reduced the risk of commercial failure.

The Board is responsible for safeguarding the Society's assets and so ensures that relevant levels of insurance cover are provided where appropriate. The trend has been and will continue to be one of increasing cost and the Society jointly insures its risks with the NNR to ensure that there are no gaps or duplication in cover across the two organisations. The cover held by the Society is reviewed annually and approved by the Board.

Wherever possible, liability for the protection of Society assets is passed to users and borrowers of assets under formal running/display agreements. The Society strongly encouraged the formal locomotive inspection documentation, schedules and examinations introduced on the NNR (mainline standard A, B and C exams) in order to help safeguard the condition of its operational locomotives.

The Board is aware of the membership's ageing profile and seeks to involve younger members at Board level and in restoration projects to help deliver a secure membership base for the future.

The Board considers from time to time the major risks to which the Society may be exposed and where possible takes action or introduces procedures to mitigate those risks. The situation is kept under review.

Relationships with related parties

Under the terms of the Society's Memorandum of Association, it has the power to subscribe for shares, stocks, debentures or other securities of any other company, enabling it to invest monies not immediately required for furtherance of its objects in such investments, securities or property as the Board may consider fit.

Shares have been subscribed for in the NNR, which is not a charity, as part of the strategic alliance between the two organisations. The Society, which is the major shareholder, is able to appoint up to three Board members to the NNR Board and has other members on strategic committees which helps to strengthen the partnership. This investment has been made purely for the purpose of assisting that company to enhance facilities and equipment, creating a more secure and appropriate base for the Society's assets and a venue to enable the Society to exhibit its assets to the public. No financial return is anticipated as the NNR does not have authority under its Articles of Association to pay dividends. However, investments in NNR Bonds in February 2014, January 2017, February 2020 and February 2023 for a similar purpose do earn interest.

REPORT OF THE BOARD OF TRUSTEES – Continued

Structure, Governance and Management (continued)

Relationships with related parties (continued)

The Society continues to support by other means, e.g. grants, specific heritage projects undertaken by the NNR which, in the opinion of the Board of Trustees, are in line with the Society's charitable activities and objectives.

The Society and NNR are related parties and details of transactions etc. are shown in note 16 to the accounts.

The current method of 'investment' provides the following non-monetary benefits:

- influence at the NNR Board level through involvement of our nominated representatives;
- improved relationships between the two organisations, enabling them to progress the same strategic aim of developing the railway between Sheringham and Holt as a live working heritage museum; and
- the Society's continued use of NNR's facilities for storage, restoration and maintenance of its assets.

Over time, the investment has aided the provision of a permanent home for the Society's other equipment, artefacts, documents and records, enabling more of these to be publicly exhibited than had previously been possible due to the lack of adequate display facilities. Thus, the investment continues to be particularly relevant to the Society in meeting its charitable aims although without any dividend or distribution return.

The Society also owns 100% of the issued capital in Midland & Great Northern Heritage Ltd, which was set up as a wholly owned subsidiary for non-charitable trading activities. At the date of publication of the financial statements the company was not trading.

Fundraising Activities

Society Trustees are legally responsible for the Society's fundraising activities and are committed to comply fully with the Charity Commission guidance CC20 on the duty of Trustees to have oversight of fundraising practices.

Society members are encouraged to donate to Society funds through articles and advertisements in *Joint Line*. Members of the public travelling on the NNR are invited through leaflets displayed there to become Society members or to contribute to the various funds which support our heritage assets and charitable activities. The Society website, through which our eBay shop operates, also details ways in which supporters can raise funds for the Society by using easyfundraising when they shop online with various retail sites. The Society does not cold call or make public or static collections and has not used the services of a professional fundraiser or commercial participator during the year. All funds raised are used to enable the Society to undertake activities in pursuit of its charitable objectives, and if given for a restricted purpose recorded as such and only used for that purpose.

All fundraising activity by the Society is monitored by the Trustees, who are not aware of any failure to comply with the Fundraising Code of Practice. No complaints about our fundraising were received during the year.

Responsibilities of the Board of Trustees

Company and charity law requires the Board of Trustees to prepare financial statements for each financial year. Under that law the Board has elected to prepare the financial statements in accordance with Generally Accepted Accounting Practice in the UK and Republic of Ireland and applicable law. The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of the incoming resources and application of resources, including income and expenditure, of the charitable company for the financial year. In preparing those financial statements, the Board is required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the current Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

REPORT OF THE BOARD OF TRUSTEES – Continued

Responsibilities of the Board of Trustees (continued)

The Board of Trustees is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Board is 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. Finally, the Board is responsible for the maintenance and integrity of the corporate and financial information included on the Society's website.

Members of the Board of Trustees

Members of the Board of Trustees, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year to 31 January 2023 were:

N Sharpe	Chairman	D C Greeno
K R Ashford		P W Mayne (died 09 June 2022)
A M Barrs	Vice Chairman (resigned 02 April 2023)	S D Roberts
D J Ballard		N A Scarlett
M R Blee	Assistant Treasurer	R H Spicker (resigned 09 April 2023)
A E Dewey	Treasurer & Company Secretary	G Wigglesworth

D J Ballard, having been co-opted to the Board on 3 December 2022, offers himself for election at the forthcoming Annual General Meeting.

Pursuant to Article 37, A E Dewey, N Sharpe and S D Roberts, being age 70 or over at the forthcoming Annual General Meeting, are subject to annual re-election. All three Trustees offer themselves for re-election at that meeting. D C Greeno has stated his intention not to seek re-election to the Board at the forthcoming Annual General Meeting.

Pursuant to Articles 36 and 38 one-third of the remaining directors, K R Ashford, retires and being eligible offers himself for re-election at the forthcoming Annual General Meeting.

As at 31 January 2023 N Sharpe, A M Barrs and A E Dewey represented the Society on the NNR Board.

The Society insures against risks to its assets and the various aspects of its activities by way of joint policies with the NNR. These include directors, officers and trustees' liability, including professional indemnity, cover and the estimated indemnity premium for Society board members is £230 (2022 £211), being a proportion of the total premium £2,100 (2022 £1,923).

Independent Examiner / Auditors

Peters, Elworthy & Moore were appointed Auditors/Independent Examiner at the 2022 Annual General Meeting and the Board of Trustees has elected to dispense with an audit for these financial statements.

Exemption Statement

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 applicable to smaller companies subject to the small company regime.

N Sharpe
Chairman

20 May 2023

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

**STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JANUARY 2023**

	Note	Unrestricted funds £	Restricted funds £	Endowment fund £	2023 Total £	2022 Total £
Income and endowments from:						
Donations and legacies	3	28,663	49,144	-	77,807	114,718
Other trading activities	4	-	7,971	-	7,971	7,986
Investments & interest receivable	5	6,716	23,106	-	29,822	23,350
Charitable activities:						
Conservation activities	7	97,935	2,000	-	99,935	89,296
Education activities	8	2,108	-	-	2,108	521
Membership subscriptions	9	56,476	-	-	56,476	54,425
Primary purpose trading	10	14,172	26,223	-	40,395	31,065
Total income		<u>206,070</u>	<u>108,444</u>	<u>-</u>	<u>314,514</u>	<u>321,361</u>
Expenditure on:						
Raising funds	6	2,362	8,544	-	10,906	8,588
Charitable activities:						
Conservation activities	7	112,487	13,031	-	125,518	99,405
Education activities	8	5,255	1,301	-	6,556	4,962
Membership	9	54,257	-	-	54,257	41,924
Primary purpose trading	10	7,697	2,089	-	9,786	14,696
Total expenditure		<u>182,058</u>	<u>24,965</u>	<u>-</u>	<u>207,023</u>	<u>169,575</u>
Net income before investment gains		24,012	83,479	-	107,491	151,786
Net (losses) gains on investments	15	-	<u>(31,996)</u>	-	<u>(31,996)</u>	<u>20,474</u>
Net income before transfers	12	24,012	51,483	-	75,495	172,260
Transfers between funds	22	23,873	<u>(37,873)</u>	14,000	-	-
Net Movement in Funds		<u>47,885</u>	<u>13,610</u>	<u>14,000</u>	<u>75,495</u>	<u>172,260</u>
Total Funds brought forward		839,631	1,672,923	590,880	3,103,434	2,931,174
Total Funds carried forward	19	<u>887,516</u>	<u>1,686,533</u>	<u>604,880</u>	<u>3,178,929</u>	<u>3,103,434</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 13 to 30 form part of these financial statements.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
Company Limited by Guarantee Registered Number 03355411

BALANCE SHEET AS AT 31 JANUARY 2023

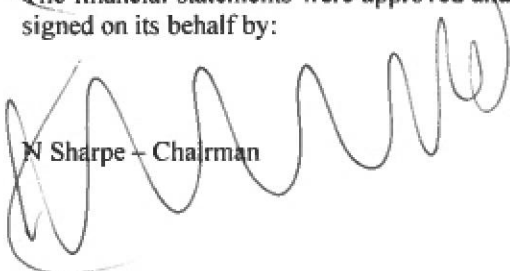
	Note	2023 £	2022 £
Fixed Assets			
Heritage assets	14	508,727	525,455
Tangible assets	14	372,390	385,179
Investments	15	1,208,876	1,244,746
Total fixed assets		2,089,993	2,155,380
Current Assets			
Stocks		95,953	69,353
Debtors	17	33,588	97,395
Cash at bank and in hand		973,274	795,281
Total current assets		1,102,815	962,029
Liabilities			
Creditors: Amounts falling due within one year	18	13,879	13,975
Net current assets		1,088,936	948,054
Total assets less current liabilities/net assets		3,178,929	3,103,434
Funds of the charity			
Endowment fund	22	604,880	590,880
Restricted income funds	21	1,686,533	1,672,923
Unrestricted funds	19	887,516	839,631
Total charity funds		3,178,929	3,103,434

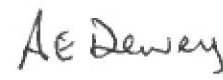
The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") relating to small companies, and members have not required the company to obtain an audit for the period in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements, which have been prepared in accordance with the provisions applicable to companies subject to the small company regime.

The notes on pages 13 to 30 form part of these financial statements which comprise the Statement of Financial Activities (incorporating Income and Expenditure Account), Balance Sheet, Statement of Cash Flows and Notes thereto.

The financial statements were approved and authorised for issue by the Board of Trustees on 20 May 2023 and signed on its behalf by:

 N Sharpe - Chairman


A E Dewey - Treasurer

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2023**

	Note	2023 Total £	£	2022 Total £	£
Cash flows from operating activities					
Net cash generated by operating activities	24		160,216		173,474
Cash flows from investing activities					
Dividends, interest and rent from investments	24	29,822		23,350	
Purchase of property, plant and equipment	14	(15,919)		(24,083)	
Proceeds from the disposal of listed investments	15	118,155		58,796	
Gift of unlisted investments	15	-		(250)	
Purchase of listed investments	15	(113,828)		(65,097)	
Net cash from / (used) in investing activities			18,230		(7,284)
Change in cash and cash equivalents in the reporting period			178,446		166,190
Cash and cash equivalents at the beginning of the reporting period	25		799,882		633,692
Cash and cash equivalents at the end of the reporting period	25		978,328		799,882

The notes on pages 13 to 30 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Charities SORP (FRS 102) (Second Edition – October 2019) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). The financial statements also comply with the requirements of sections 394 and 395 of the Companies Act 2006, and with the requirements of that Act relating to the financial statements in so far as applicable to the company, and the Charities Act 2011.

During the year, there have been no discontinued activities or new activities acquired.

The financial statements are prepared in sterling, being the functional currency of the Society and rounded to the nearest £1. There are no recognised gains or losses other than those included in net income. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). Other than the unrealised gains on quoted assets, historical cost surpluses and deficits are as recorded in the Statement of Financial Activities.

Going concern

The Board has assessed by means of budgets, forecasts and other information that the Society will have adequate reserves and cash twelve months from the date these accounts are approved to maintain the Society's assets in operational condition. Accordingly, the Board continues to adopt the going concern basis of accounting in preparing these financial statements.

Group accounts

These are the separate financial statements of the company as it is entitled to the exemption under Section 398 of the Companies Act 2006 from the obligation to prepare group accounts.

Income

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

Subscriptions, donations etc., income from support clubs, shop and other sales, museum entry fees are recognised upon receipt. Locomotive steaming and rolling stock hire fees represent fees earned during the period exclusive of VAT.

Donation income is recognised when received or, before receipt if it becomes reasonably certain that the donation will be received and the value of the income can be reliably measured. Gift Aid reclaimed is included as received during the period and if claims have been lodged but not settled after the end of the period.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Interest represents income received from bank and COIF deposits (with the latter allocated to funds with average balances of at least £10,000 throughout the period), the NNR bond and the steam loco legacy investments. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank. Wholesale educational publishing sales are included at the point of invoicing.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023 continued

1. Accounting policies - continued

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Expenditure is included on an accruals basis, exclusive of any VAT, provided that has been or is expected to be recovered. Costs are allocated to expense headings on a direct cost basis.

Trading costs are those incurred on the Charity's shops and publications. Costs of generating funds comprise costs associated with running the support clubs.

Charitable activities are costs incurred on the Charity's conservation and education activities, including support costs and costs relating to the governance of the Charity apportioned to charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include central costs. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the yearend are noted as a commitment, but not accrued as expenditure.

Tangible Fixed Assets (including Heritage Assets) and Depreciation

Purchased items are included at cost and donated items are included at no value or cost associated with acquisition. Individual items costing less than £1,000 are not generally capitalised, although exceptional Museum Collection items may be.

Restoration costs of heritage assets are not capitalised as the expense is intended to restore the items to original condition and not enhance or alter them. Steam locomotive boiler overhaul costs have been capitalised as components with effect from 1 February 2012.

Depreciation is only charged on these historic artefacts and items where the carrying value is considered to be greater than the residual value. For operational heritage assets and locomotive boilers, depreciation is provided at the rate of 10% straight line. Other items are depreciated on a straight-line basis as follows: storage facilities 10%, office equipment 33⅓%, shop equipment 10%, museum fittings and equipment 10% and carriage sheds 2%. Annual impairment reviews of all tangible assets, except the Museum Collection, are carried out at the time of preparation of the financial statements and coinciding with the review of sums assured for insurance purposes.

Museum lease

The cost of the museum lease premium is being amortised over fifty years from August 2006 when the museum building first came into use. The lease actually runs for fifty years from 11 April 2008. The costs of museum tenant's improvements are being depreciated over twenty five years.

Investments

Investments are included at fair value except for those not listed on a recognised stock exchange and subsidiary undertakings/associates which are included at cost or par value.

Intangible Income

No income is recognised for donated services etc. unless any cost borne by the donor can be determined. No monetary value is placed on the services of volunteers unless a value can be determined such as in grant claims.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023 *continued*

1. Accounting policies - continued

Fund Accounting

The Society's restricted funds relate to locomotives, rolling stock, museum and educational activities and grants for heritage projects. Restrictions arise when specified by the donor. Where the donor does not specify a particular fund, donations are included in unrestricted funds which are used in accordance with the charitable objects at the discretion of the Board of Trustees. This includes the designation of funds to specific projects, some of which may already be financed partly by restricted funds. Governance costs are charged to the general unrestricted fund. Endowment fund represents investments made by the Society under its Articles of Association, including in heritage assets.

Stock

Stock consists of relevant merchandise for sale and exceptional quantities or items of materials or spares for restoration projects and maintenance which have been purchased to secure special items or to gain a price advantage. All stock has been valued at the lower of cost and net realisable value.

In-house produced educational publications are not valued for stock purposes at the end of the year of publication or subsequently as they are considered as 'back issues' with less sales potential.

Donated items for sale are not valued upon receipt or at the year-end due to the large volume of items received and which would be onerous to count and value with limited volunteer resources and in any case most sell fairly quickly and it is considered that the aggregate value at selling price remains reasonably constant.

Cash at bank and in hand

Cash at bank and cash 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.

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.

Financial instruments

The society only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. Status

The Society has no share capital, being a company limited by guarantee incorporated in England and Wales and is a registered charity. Each member in the event of a winding up guarantees to contribute a sum not exceeding £1. Midland and Great Northern Joint Railway Society meets the definition of a public benefit entity under FRS 102.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023 continued

3. Income from donations and legacies

	Unrestricted funds £	Restricted funds £	2023 Total funds £	Unrestricted funds £	Restricted funds £	2022 Total funds £
Donations	6,172	45,898	52,070	3,999	27,814	31,813
Legacies	<u>22,491</u>	<u>3,246</u>	<u>25,737</u>	<u>77,905</u>	<u>5,000</u>	<u>82,905</u>
	<u>28,663</u>	<u>49,144</u>	<u>77,807</u>	<u>81,904</u>	<u>32,814</u>	<u>114,718</u>

4. Other trading activities

	Unrestricted funds £	Restricted funds £	2023 Total funds £	Unrestricted funds £	Restricted funds £	2022 Total funds £
Locomotive support clubs	-	7,971	7,971	-	7,986	7,986

5. Investments & interest receivable

	Unrestricted funds £	Restricted funds £	2023 Total funds £	Unrestricted funds £	Restricted funds £	2022 Total funds £
UK quoted investments	-	13,472	13,472	-	13,690	13,690
UK unquoted investments	1,575	7,947	9,522	1,549	7,992	9,541
Bank interest	<u>5,141</u>	<u>1,687</u>	<u>6,828</u>	<u>86</u>	<u>33</u>	<u>119</u>
	<u>6,716</u>	<u>23,106</u>	<u>29,822</u>	<u>1,635</u>	<u>21,715</u>	<u>23,350</u>

6. Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	2023 Total funds £	Unrestricted funds £	Restricted funds £	2022 Total funds £
Expenditure						
Locomotive support clubs	-	2,874	2,874	-	2,742	2,742
Marketing & fundraising	2,089	523	2,612	-	431	431
Investment management charges	-	5,147	5,147	-	5,415	5,415
Support costs (note 11)	<u>273</u>	<u>-</u>	<u>273</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,362</u>	<u>8,544</u>	<u>10,906</u>	<u>-</u>	<u>8,588</u>	<u>8,588</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023 continued

7. Conservation activities

	Unrestricted funds £	Restricted funds £	2023 Total funds £	Unrestricted funds £	Restricted funds £	2022 Total funds £
Income						
Locomotive & rolling stock hire fees	96,935	2,000	98,935	82,675	5,621	88,296
Premises licence fee	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
	<u>97,935</u>	<u>2,000</u>	<u>99,935</u>	<u>83,675</u>	<u>5,621</u>	<u>89,296</u>
Expenditure						
Maintenance & operation	54,804	2,166	56,970	22,348	2,100	24,448
Restoration costs	-	2,997	2,997	-	6,364	6,364
Grant paid	-	-	-	3,168	-	3,168
Insurance	10,079	-	10,079	13,239	-	13,239
Equipment & storage	1,100	-	1,100	1,100	-	1,100
Depreciation	33,510	7,868	41,378	32,068	7,868	39,936
Support costs (note 11)	<u>12,994</u>	<u>-</u>	<u>12,994</u>	<u>11,150</u>	<u>-</u>	<u>11,150</u>
	<u>112,487</u>	<u>13,031</u>	<u>125,518</u>	<u>83,073</u>	<u>16,332</u>	<u>99,405</u>
Net income/(expenditure)	<u>(14,552)</u>	<u>(11,031)</u>	<u>(25,583)</u>	<u>602</u>	<u>(10,711)</u>	<u>(10,109)</u>

8. Education activities

	Unrestricted funds £	Restricted funds £	2023 Total funds £	Unrestricted funds £	Restricted funds £	2022 Total funds £
Income						
Museum entry fees	<u>2,108</u>	<u>-</u>	<u>2,108</u>	<u>521</u>	<u>-</u>	<u>521</u>
	<u>2,108</u>	<u>-</u>	<u>2,108</u>	<u>521</u>	<u>-</u>	<u>521</u>
Expenditure						
Equipment & storage	2,030	207	2,237	500	272	772
Subscriptions & donations	-	213	213	-	208	208
Depreciation	2,618	881	3,499	2,618	881	3,499
Support costs (note 11)	<u>607</u>	<u>-</u>	<u>607</u>	<u>483</u>	<u>-</u>	<u>483</u>
	<u>5,255</u>	<u>1,301</u>	<u>6,556</u>	<u>3,601</u>	<u>1,361</u>	<u>4,962</u>
Net expenditure	<u>(3,147)</u>	<u>(1,301)</u>	<u>(4,448)</u>	<u>(3,080)</u>	<u>(1,361)</u>	<u>(4,441)</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023 continued

9. Membership

	Unrestricted funds £	Restricted funds £	2023 Total funds £	Unrestricted funds £	Restricted funds £	2022 Total funds £
Income						
Membership fees	<u>56,476</u>	-	<u>56,476</u>	<u>54,425</u>	-	<u>54,425</u>
	<u>56,476</u>	-	<u>56,476</u>	<u>54,425</u>	-	<u>54,425</u>
Expenditure						
Joint Line publishing	22,176	-	22,176	20,491	-	20,491
Administration	25,813	-	25,813	15,806	-	15,806
Support costs (note 11)	<u>6,268</u>	-	<u>6,268</u>	<u>5,627</u>	-	<u>5,627</u>
	<u>54,257</u>	-	<u>54,257</u>	<u>41,924</u>	-	<u>41,924</u>
Net income	<u>2,219</u>	-	<u>2,219</u>	<u>12,501</u>	-	<u>12,501</u>

10. Primary purpose trading

	Unrestricted funds £	Restricted funds £	2023 Total funds £	Unrestricted funds £	Restricted funds £	2022 Total funds £
Income						
Shop & publishing sales	<u>14,172</u>	<u>26,223</u>	<u>40,395</u>	<u>15,409</u>	<u>15,656</u>	<u>31,065</u>
	<u>14,172</u>	<u>26,223</u>	<u>40,395</u>	<u>15,409</u>	<u>15,656</u>	<u>31,065</u>
Expenditure						
Cost of goods sold	6,527	2,089	8,616	11,422	1,179	12,601
Equipment & storage	-	-	-	-	-	-
Depreciation	281	-	281	281	-	281
Support costs (note 11)	<u>889</u>	-	<u>889</u>	<u>1,814</u>	-	<u>1,814</u>
	<u>7,697</u>	<u>2,089</u>	<u>9,786</u>	<u>13,517</u>	<u>1,179</u>	<u>14,696</u>
Net income	<u>6,475</u>	<u>24,134</u>	<u>30,609</u>	<u>1,892</u>	<u>14,477</u>	<u>16,369</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023 continued

11. Support costs

	2023	2022
	Total expenditure	Total expenditure
Expenditure		
Office rent & charges	9,128	9,322
Bank & credit card charges	1,744	1,169
Subscriptions & donations	813	867
Office equipment depreciation	278	470
Governance	7,247	6,809
Miscellaneous expenditure	<u>1,821</u>	<u>437</u>
	<u>21,031</u>	<u>19,074</u>
Allocated to		
Expenditure on raising funds (note 6)	273	-
Conservation activities (note 7)	12,994	11,150
Education activities (note 8)	607	483
Membership (note 9)	6,268	5,627
Primary purpose trading (note 10)	<u>889</u>	<u>1,814</u>
	<u>21,031</u>	<u>19,074</u>

Support costs are allocated to expenditure on the same ratio as the direct costs associated with the relevant area of activity.

12. Net income before transfers

This is stated after charging/crediting:

	2023	2022
	£	£
Depreciation	45,436	44,183
Independent Examiner's remuneration	2,950	2,825
Expenses reimbursed to Board Members	1,934	1,506
Operating lease rentals	9,100	9,100

13. Staff costs, trustee remuneration and expenses

The Society has no employees. Apart from K R Ashford who is full-time Chief Mechanical Engineer of the NNR, none of the trustees have been paid any remuneration or received any other benefits from employment by the Society or a related entity.

Expenses reimbursed to board members relate to supplies of materials, spare parts and fuel used in the restoration and operation of heritage assets, shop merchandise and other supplies and sundry administration. In all cases the suppliers are those with which the Society does not have credit accounts. The total amount of reimbursed expenses was £1,934 to 6 trustees (2022 - £1,506 to 7 trustees).

Trustees and members of their families make unconditional donations to the Society, either by way of regular monthly payments or occasional lump sums to support projects and public appeals. The aggregate total of such specifically identified donations from trustees and related parties in 2022-23 was £451 (2021-22 £580). There may have been additional unidentified donations placed in collecting boxes located at the Society's shop and museum.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023 continued

14. Tangible Fixed Assets

	Collection Assets	Locomotive Boilers	Heritage Assets Total	Leasehold Buildings	Fixtures, Fittings & Equipment	Tangible Assets Total	Total
	£	£	£	£	£	£	£
Cost at start of year	627,117	367,452	994,569	520,403	48,582	568,985	1,563,554
Additions in year	<u>14,000</u>	<u>1,919</u>	<u>15,919</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,919</u>
Cost at end of year	641,117	369,371	1,010,488	520,403	48,582	568,985	1,579,473
Depreciation at start of year	300,000	169,114	469,114	146,325	37,481	183,806	652,920
Charge for year	<u>-</u>	<u>32,647</u>	<u>32,647</u>	<u>10,923</u>	<u>1,866</u>	<u>12,789</u>	<u>45,436</u>
Depreciation at end of year	300,000	201,761	501,761	157,248	39,347	196,595	698,356
Net book value at end of year	341,117	167,610	508,727	363,155	9,235	372,390	881,117
Net book value at start of year	327,117	198,338	525,455	374,078	11,101	385,179	910,634

Collection assets (and their cost/net book value) comprise historical locomotives (£459,555/£159,555), a diesel multiple unit (£100,000/£100,000), carriages and wagons (£65,732/£65,732), a road vehicle (£9,739/£9,739) and artefacts and collections (£6,091/£6,091) held for preservation and educational purposes. Locomotives and some carriages and wagons are included at cost of acquisition; no value is included for donated items as this is usually not available. The ages range from about 50 to 130 years. Locomotives and some other rolling stock are operational subject to completion of restoration or overhaul; the remainder is for static or museum display. Locomotive boilers are components related to the historical locomotives.

Summary Analysis of Heritage Asset Transactions

	2023	2022	2021	2020	2019
	£	£	£	£	£
Purchases & capitalisation:					
Locomotives	-	-	60,000	-	35,000
Diesel multiple unit	-	-	100,000	-	-
Carriages and wagons	14,000	-	-	-	35,000
Other collection items	-	-	250	1,674	1,417
Locomotive Boilers	1,919	24,083	5,766	47,332	-
Charge for depreciation:					
Locomotive boilers	32,647	31,078	52,544	52,543	43,757
Disposals carrying amounts:					
Locomotive boilers	-	-	-	-	-
Carriages and wagons	-	-	-	-	10
Proceeds from disposals:					
Locomotive boilers	-	-	-	-	-
Carriages and wagons	-	-	-	-	1,000

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023 continued

15. Investments

	2023		2022
	£	£	£
Shares in North Norfolk Railway PLC	<u>263,763</u>		
Total Shares in Associate at cost		<u>263,763</u>	<u>263,763</u>
North Norfolk Railway PLC Bond Issue 4	30,000		30,000
Midland & Great Northern Heritage Limited	1,000		1,000
Zenzic Loan Note	<u>100,000</u>		<u>100,000</u>
Total Unquoted Investments at cost		<u>131,000</u>	<u>131,000</u>
Cazenove Charity NURS Fund	304,070		316,855
Prudential Assurance and LGT Vestra Fund	<u>510,043</u>		<u>533,128</u>
Total quoted investments at fair value		<u>814,113</u>	<u>849,983</u>
Total investments at cost or fair value		<u>1,208,876</u>	<u>1,244,746</u>
Movement in quoted fixed asset investments:		2023	2022
		£	£
Fair value at beginning of the year		845,382	818,607
Additions at cost		113,828	65,097
Disposal proceeds		(118,155)	(58,796)
Realised gains		3,073	2,691
Disposals at opening fair value		(115,082)	(56,105)
Net unrealised investment gains / (losses)		(35,069)	17,783
Fair value at end of the year		809,059	845,382
Cash held by investment managers for re-investment		5,054	4,601
Total quoted investments at fair value		<u>814,113</u>	<u>849,983</u>

Purchases of Ordinary Shares of £1 each in North Norfolk Railway PLC (NNR), an unlisted public company, have been at par. In addition, the Society has added to its shareholding by accepting gifts and bequests of shares from members and others and these are also included at par. At 31 January 2022 the total number of shares purchased was 214,090 and the total shareholding was 263,763. During the year no shares were purchased and no shares were gifted to the Society, so at 31 January 2023 the total number of shares purchased was 214,090 and the total shareholding including gifted shares was 263,763. The Society is the largest single shareholder owning approximately 30.7% (2022 30.8%) of the issued share capital.

The Society's approximately 30.7% (2022 30.8%) proportions of the share capital and profits of the NNR are:

	2023		2022	
	£	%	£	%
Share Capital	263,763	30.7	263,763	30.8
Profit and loss account	(94,989)	30.7	(12,930)	30.8
Net (loss) / profit for the year	(82,103)	30.7	60,079	30.8

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023 continued

15. Investments - continued

The not-for-profit constitution of the NNR precludes payment of any dividend or distribution on the Society's investment. However, the benefits that derive from the investment are considerable and are noted throughout the Report of the Board of Trustees. These include access to covered accommodation and engineering facilities for restoration and storage, a secure and appropriate base for the Society's assets and a venue to exhibit them to the public either operationally or static in accordance with the charitable objectives. While it is difficult to quantify a monetary value for the benefits, the Board is of the opinion that the value of the investment at cost in these accounts is not in excess of the potential value of the future ongoing benefits so derived. The Board therefore considers that a write down of the investment to its value of £168,774 in the NNR accounts is not appropriate.

In February 2020 the Society NNR third Bond investment of £30,000 was rolled over, on maturity, into a fourth Bond issue for a 3-year term of 5% compound interest accruing annually and maturing in February 2023. When the Bond matured in February 2023, the accrued interest of £4,729 was due to be paid out, with the £30,000 capital rolled over into a fifth Bond issue for a 1-year term of 6% interest to be paid on maturing in February 2024. It is anticipated that on maturity the Bond will be cashed in with the capital and interest being received by the Society.

The Society holds 1,000 ordinary £1 shares, being 100% of the issued and authorised share capital of Midland & Great Northern Heritage Limited (Company number 04009464). The company was set up to undertake non-charitable trading activities but is not currently trading.

The £100,000 Zenic Loan note, an unquoted three-year fixed term property and property development bond guaranteeing a return of 8% per annum, interest paid six monthly, over the fixed term, matured in June 2022. It was reinvested for a further two years guaranteeing a return of 8% per annum, interest paid quarterly, over the fixed term, maturing in June 2024.

Quoted investments consist of an initial £800,000 invested in three managed mixed funds, which are stated at market value as at 31 January 2023.

Valuation

Listed investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value). The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the Charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so their ability to buy and sell quoted equities and stock is anticipated to continue. The Charity investments are mainly traded in markets with good liquidity and high trading volumes. The Charity has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Charity does not make use of derivatives and similar complex financial instruments. Investments are held for their longer term yield and total return. Historic studies of quoted financial instruments have shown that short term volatility in any particular period will normally be corrected in the long-term.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023 continued

16. Related Parties

The trustees are the legal directors of the charity and its subsidiary and they do consider themselves part of the day-to-day management and are therefore key management personnel. However, none of the trustees received any remuneration or benefits during the year.

As outlined in note 15, Midland and Great Northern Joint Railway Society is the largest shareholder of the NNR. The following trustees holding office at the year-end are also directors of the NNR:-

N Sharpe
A M Barrs
A E Dewey

During the year sales to NNR were £100,293 (2022 £90,374) and purchases from them £62,421 (2022 £50,298) including assets of £nil (2022 £nil) but excluding shares. At the year-end NNR owed the Society £nil (2022 £16) and the Society owed NNR £nil (2022 £nil). The figures exclude VAT.

There are leases in place between the NNR and the Society in respect to its Museum Building and Carriage Sheds with provision for peppercorn ground rents payable by the Society to the NNR.

17. Debtors

	2023	2022
	£	£
Prepayments and accrued income	18,580	18,991
Other debtors	15,008	78,404
	<u>33,588</u>	<u>97,395</u>

18. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade Creditors	5,351	4,165
Amounts owed to group and associated undertakings	802	802
Accruals and deferred income	3,255	4,853
Taxation and social security	4,471	4,155
	<u>13,879</u>	<u>13,975</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023 continued

19. Statement of Funds

Statement of Funds – Current year	Balance at beginning of year £	Income £	Expenditure £	Investment Losses £	Transfers £	Balance at end of year £
General Fund	280,815	-	-	-	-	280,815
Transfers re: prior years	<u>100,000</u>	-	-	-	-	<u>100,000</u>
Adjusted opening balance	<u>380,815</u>	-	-	-	-	<u>380,815</u>
Transactions in year	<u>380,815</u>	<u>86,644</u>	<u>(105,123)</u>	<u>-</u>	<u>(75,158)</u>	<u>287,178</u>
Designated Funds						
Note 20	558,816	-	-	-	-	558,816
Transfers re: prior years	<u>(100,000)</u>	-	-	-	-	<u>(100,000)</u>
Adjusted opening balance	<u>458,816</u>	-	-	-	-	<u>458,816</u>
Transactions in year	<u>458,816</u>	<u>119,426</u>	<u>(76,935)</u>	<u>-</u>	<u>99,031</u>	<u>600,338</u>
Total Unrestricted Funds	839,631	206,070	(182,058)	-	23,873	887,516
Total Restricted Funds						
Note 21	1,672,923	108,444	(24,965)	(31,996)	(37,873)	1,686,533
Total Endowment Funds						
Note 22	590,880	-	-	-	14,000	604,880
	<u>3,103,434</u>	<u>314,514</u>	<u>(207,023)</u>	<u>(31,996)</u>	<u>-</u>	<u>3,178,929</u>
Statement of Funds – Prior year	Balance at beginning of year £	Income £	Expenditure £	Investment Gains £	Transfers £	Balance at end of year £
General Fund	291,051	154,894	(95,750)	-	(69,380)	280,815
Designated Funds – Note 20	516,711	82,675	(46,365)	-	5,795	558,816
Total Unrestricted Funds	<u>807,762</u>	<u>237,569</u>	<u>(142,115)</u>	<u>-</u>	<u>(63,585)</u>	<u>839,631</u>
Total Restricted Funds						
Note 21 – As Restated	1,532,782	83,792	(27,460)	20,474	63,335	1,672,923
Total Endowment Funds						
Note 22	590,630	-	-	-	250	590,880
	<u>2,931,174</u>	<u>321,361</u>	<u>(169,575)</u>	<u>20,474</u>	<u>-</u>	<u>3,103,434</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023 continued

20. Designated Funds

Current year	Balance at beginning of year £	Income £	Expenditure £	Transfers £	Balance at end of year £
'Loco Pot'	489,816	-	-	-	489,816
Transfers re: prior years	<u>(100,000)</u>	-	-	-	<u>(100,000)</u>
Adjusted opening balance	<u>389,816</u>	-	-	-	<u>389,816</u>
Transactions in year	389,816	96,935	(74,935)	38,031	449,847
Operation Phoenix	69,000	-	(2,000)	-	67,000
Special Projects	-	22,491	-	61,000	83,491
	<u>458,816</u>	<u>119,426</u>	<u>(76,935)</u>	<u>99,031</u>	<u>600,338</u>

Prior year	Balance at beginning of year £	Income £	Expenditure £	Transfers £	Balance at end of year £
'Loco Pot'	445,711	82,675	(44,365)	5,795	489,816
Operation Phoenix	71,000	-	(2,000)	-	69,000
	<u>516,711</u>	<u>82,675</u>	<u>(46,365)</u>	<u>5,795</u>	<u>558,816</u>

The Trustees established a steam locomotive fund ('Loco Pot') which receives the steaming fees of the B12, J15/Y14 and WD when operational. This fund helps defray the costs of repairs and major overhauls of the locomotives with back-up funding from other steam locomotive funds and support clubs as required. With the restricted Steam Loco Legacy fund available solely for this purpose, the Society is well funded for repairs and major overhauls of its locomotives.

After the purchase of the Diesel Multiple Unit and the completion of the overhaul of the Class 31 diesel locomotive, at the board meeting on 18 July 2020 the trustees approved the widening of the fund's remit to include *Ring Haw*, *Wissington*, the Class 08, the Class 31 and the Class 101 DMU. The above figures therefore include usage fees and repairs for the Society's complete motive power fleet. In the year to 31st January 2021, the General Fund had been used to fund the purchase of the Class 101 DMU for £100,000. The Trustees have therefore approved that a transfer of £100,000 should be made from the 'Loco Pot' to reimburse the General Fund for this expenditure. The General Fund also contained the Class 31 steam heat boiler capitalised at £48,101. The Trustees have further approved the purchase of this asset by the 'Loco Pot' to apply a consistent approach across the motive power fleet.

During the year, a new Special Projects Fund was created from legacies received since February 2021, where the legators had given no direction as to their use. A legacy of £75,000 received in the year to 31 January 2022 has been transferred into the fund from the General Fund where it was originally recorded. The £14,000 cost of the purchase of Gresley BTO Coach number E43556 in the current year, has been transferred from the Special Projects Fund to the Endowment Fund. The final distribution of £2,491 was received from this legacy during the year. The Trustees have decided the remaining balance £63,491 will be used to restore the coach to operational condition.

Further legacies amounting to £20,000 received in the year have also been allocated to this fund, The Trustees have decided that £15,000 will be used for improvements to the *William Marriott Museum*, whilst £5,000 will be used to pay the Society's contribution to the NNR engineering apprentice.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023 continued

21. Restricted Funds

Current year	Balance at beginning of year	Income	Expenditure	Investment Losses	Transfers	Balance at end of year
	£	£	£	£	£	£
Loco Club (all locos)	78,954	13,274	(121)	-	(24,516)	67,591
J15	8,089	7,892	(1,325)	-	(2,500)	12,156
B12	7,749	3,872	(1,428)	-	(5,575)	4,618
B12 Overhaul Appeal	49,968	7,966	(406)	-	651	58,179
WD	4,965	1,370	-	-	(4,660)	1,675
Wissington	3,384	510	-	-	-	3,894
Ring Haw	375	135	-	-	-	510
Steam Loco Legacy	1,107,388	23,102	(5,147)	(31,996)	-	1,093,347
31 Fund (Class 31)	1,246	444	-	-	(780)	910
Diesel Club	5,692	1,515	(117)	-	-	7,090
Heritage Coach Fund	52,001	29,112	(5,774)	-	-	75,339
Quad Art Set	2,592	-	-	-	-	2,592
Museum	39,248	5,756	(1,674)	-	-	43,330
Museum Improvements	20,030	-	(880)	-	-	19,150
Holt Development	4,964	330	-	-	-	5,294
Carriage Sheds	283,210	-	(7,868)	-	-	275,342
Railway Cottage	-	2,392	(225)	-	-	2,167
PEG Fund	-	10,774	-	-	-	10,774
Society Grants	3,068	-	-	-	(493)	2,575
	<u>1,672,923</u>	<u>108,444</u>	<u>(24,965)</u>	<u>(31,996)</u>	<u>(37,873)</u>	<u>1,686,533</u>
Prior year	Balance at beginning of year	Income	Expenditure	Investment Gains	Transfers	Balance at end of year
	£	£	£	£	£	£
Loco Club (all locos)	70,244	14,615	(110)	-	(5,795)	78,954
J15	5,258	4,239	(1,408)	-	-	8,089
B12	5,182	3,791	(1,224)	-	-	7,749
B12 Overhaul Appeal	-	6,269	(431)	-	44,130	49,968
WD	3,170	1,795	-	-	-	4,965
Wissington	2,874	510	-	-	-	3,384
Ring Haw	125	250	-	-	-	375
Steam Loco Legacy	1,070,622	21,708	(5,416)	20,474	-	1,107,388
31 Fund (Class 31)	802	444	-	-	-	1,246
Diesel Club	4,202	1,490	-	-	-	5,692
Heritage Coach Fund	10,480	26,121	(9,600)	-	25,000	52,001
Quad Art Set	2,467	125	-	-	-	2,592
Museum	37,791	1,980	(523)	-	-	39,248
Museum Improvements	20,910	-	(880)	-	-	20,030
Holt Development	4,509	455	-	-	-	4,964
Carriage Sheds	291,078	-	(7,868)	-	-	283,210
Society Grants	3,068	-	-	-	-	3,068
	<u>1,532,782</u>	<u>83,792</u>	<u>(27,460)</u>	<u>20,474</u>	<u>63,335</u>	<u>1,672,923</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023 continued

21. Restricted Funds - continued

The income of the funds relates to donations, other contributions, shop retail and donated sales, investment income, bank interest, and designated by the Trustees, Heritage Coach Fund rolling stock hire of £2,000.

At 31 January 2023 the Loco Club fund balance of £67,591 is attributable as follows: General (all locos) £18,368 J15 £3,164, B12 £3,301, W1500 £36,160, WD £3,666, *Wissington* £1,888, *Ring Haw* £88 and Class 31 £956. The transfers of £24,516 are to 'Loco Pot' towards repairs and maintenance costs of all locomotives which the club supports.

During the year two new funds were created:

The Society-owned Railway Cottage at Holt Station was used latterly by the NNR's education department supported by the Poppyline Education Group (PEG) until the former closed. With the support of some of the same volunteers, the Society has taken on responsibility for this unique attraction that brings to life such a carriage cottage by re-creating it as it might have been in 1935. Entry to the cottage is free, but donations received from visitors are put into a restricted fund to provide for its upkeep and maintenance.

In December 2022, the Society received £10,774 from the winding up of PEG. In accordance with the members' wishes at their Extraordinary General Meeting, a restricted fund has been created "specifically for education purposes on the NNR".

22. Endowment Fund and transfers between funds

Endowment Fund – This is not a cash fund. All heritage assets are represented in Endowment Fund, demonstrating the strategic permanency of the Society's ownership as they are unlikely to be sold or otherwise disposed of except in exceptional circumstances. Similarly, the investment in NNR shares is represented in Endowment due to the permanent nature and purpose of these in the pursuit of the charitable objectives as explained in note 15 and throughout the Report of the Board of Trustees. The transfer to Endowment Fund of £14,000 represents the cost of the purchase of Gresley Brake Third Open Coach number E43556, from the Special Projects Fund.

Other Funds

The transfers totalling £38,031 from restricted funds are to 'Loco Pot' as contributions towards repairs and maintenance. Although the Society has a Steam Loco Legacy restricted fund for locomotive overhauls, the Trustees aim to allocate any unexpected unrestricted sources of income to fund locomotive overhauls, to preserve the restricted fund into the future, when such sources of income may not be available.

The transfer of £651 into the B12 Overhaul appeal consists of £158 from the General Fund representing the profit to date from the sale of the Society published book "Pictorial History of the B12" and £493 from Society Grants representing a previous unspent donation regarding the B12, with the permission of the donor.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023 continued

23. Analysis of net assets between funds

	Designated Funds	General Fund	Restricted Funds	Endowment Fund	Total Funds
	£	£	£	£	£
Tangible fixed assets	234,610	10,899	294,491	341,117	881,117
Investments	-	31,000	914,113	263,763	1,208,876
Net Current Assets	365,728	245,279	477,929	-	1,088,936
	<u>600,338</u>	<u>287,178</u>	<u>1,686,533</u>	<u>604,880</u>	<u>3,178,929</u>
Prior year					
	Designated Funds	General Fund	Restricted Funds	Endowment Fund	Total Funds
	£	£	£	£	£
Tangible fixed assets	219,255	61,022	303,240	327,117	910,634
Investments	-	31,000	949,983	263,763	1,244,746
Net Current Assets	339,561	188,793	419,700	-	948,054
	<u>558,816</u>	<u>280,815</u>	<u>1,672,923</u>	<u>590,880</u>	<u>3,103,434</u>

24. Reconciliation of net income to net cash flow from operating activities

	2023	2022
	£	£
Net income for the year (as per the statement of financial activities)	75,495	172,260
Depreciation charges	45,436	44,183
Losses / (Gains) on investments	31,996	(20,474)
Dividends, interest and rent from investments	(29,822)	(23,350)
(Increase) / decrease in stocks	(26,600)	1,040
Decrease / (increase) in debtors	63,807	(4,491)
(Decrease) / increase in creditors	(96)	4,306
	<u>160,216</u>	<u>173,474</u>

25. Analysis of cash and cash equivalents

	2023	2022
	£	£
Cash at bank and in hand	973,274	795,281
Cash held by investment managers for re-investment	5,054	4,601
	<u>978,328</u>	<u>799,882</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023 continued

26. Analysis of changes in net debt

	At 1 February 2022 £	Cash Flows	At 31 January 2023 £
Cash and cash equivalents	799,882	178,446	978,328
	<u>799,882</u>	<u>178,446</u>	<u>978,328</u>

27. Contracts and Commitments

Contracted

A contract for the supply, installation and commissioning of a steam heat boiler for Class 31 locomotive no. D5631 was entered into with King's Boiler Hire Ltd in October 2017 in the sum of £21,996. At 31 January 2023 £2,000 of the contract remained to be completed. It is planned for this work to be concluded by next winter, including the commissioning of the whole steam heating system. The loco returned to traffic in July 2021 following completion of its mechanical and electrical overhaul.

A contract for the dismantling and overhaul of 0-6-0 ST No. 1982 *Ring Haw* was entered into with the NNR in January 2022 in the sum of £186,007. By February 2023 most of the dismantling costed at £10,525 had been completed. Earlier, a decision was made to outsource the chassis overhaul and in December 2022 a contract for this was entered into with The Flour Mill Ltd in the sum of £133,380. Work had not commenced by 31 January 2023. The boiler overhaul work remains with the NNR and the value of that within the January 2022 contract is £80,000 but none of that work had been started at 31 January 2023.

A contract for the dismantling prior to overhaul of B12/3 4-6-0 No. 8572 was entered into with the NNR in January 2022 in the sum of £19,525. The work commenced in March 2022 and at 31 January 2023 £7,635 remained to be completed. Inspection, reporting and costing of overhaul works required to the boiler remained to be undertaken. A decision had been made to outsource the chassis and tender overhauls and in January 2023 a contract for this was entered into with Riley & Son (Electromec) Limited in the sum of £299,615. Work commenced in April 2023. The overhaul of the boiler will be carried out by the NNR, but as no work has yet started, the scope of work required and the cost has not been determined.

In February 2022 a licencing and subscription agreement for a new membership database was entered into with Alphavima Technologies Inc. The agreement is fixed term for the period 1 November 2021 to 31 March 2024 with the licence fees inflation indexed annually on 1 April. The amount paid in April 2023 for the final year of the term was £4,263.

Contingent Commitment

At 31 January 2023 grants have been awarded or pledges made towards three projects being undertaken or planned to be undertaken on the North Norfolk Railway. The aggregate amount is £16,250 but payments will be dependent upon the projects being completed.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023 continued

28. Commitments under Operating Leases

At 31 January 2023 there were future minimum lease payments under non-cancellable operating leases for land and buildings as follows:

	2023	2022
	£	£
Not later than 1 year	9,100	9,100
Later than 1 year and not later than 5 years	8,450	17,550
	<u>17,550</u>	<u>26,650</u>

29. Post Balance Sheet Events

After the year end on 31 January 2023, the Board commenced a review of the Gift Aid benefits attached to the Society's membership income, to ensure that they are in accordance with Gift Aid Guidance. At present, this review is ongoing, so its outcome and any financial effect of the findings cannot be reliably estimated.

The Board further considers there are no other post balance sheet events that materially affect these financial statements.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY FOR THE YEAR ENDED 31 JANUARY 2023

I report on the accounts of the charity for the year ended 31 January 2023, which are set out on pages 10 to 30.

Responsibilities and basis of report

As the charity's trustees of the company (who are also the directors of the company for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

Having satisfied myself that the accounts of the company are not required to be audited for this year under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination, I have followed the Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act).

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 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
- the accounts have not been prepared in accordance with the Charities SORP (FRS102).

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.

Michael Hewett

Mr. M Hewett FCA DChA

Peters Elworthy and Moore
Salisbury House, Station Road
Cambridge CB1 2LA

19 June 2023

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

England & Wales - Charity number 1063676

Accounts

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY



Registered Office: Sheringham Station, Sheringham, Norfolk, NR26 8RA
A Company Limited by Guarantee Registered No. 03355411
Registered Charity No. 1063676

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022**

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

Reference and Administrative Details Company Information

Board of Trustees (Directors)

N Sharpe (Chairman)
K R Ashford
A M Barrs
M R Blee
A E Dewey
D C Greeno
P W Mayne
S D Roberts
N A Scarlett
R H Spicker
G Wigglesworth

Company Secretary

A E Dewey

Registered Office

Sheringham Station
Sheringham
Norfolk, NR26 8RA

Registered Company Number

03355411

Registered Charity Number

1063676

Working Names

M&GN Society
M&GN Joint Railway Society
M&GNJRS

Independent Examiner/Auditor

Mr M Hewett FCA DChA
Peters, Elworthy & Moore
Salisbury House
Station Road
Cambridge, CB1 2LA

Bankers

Lloyds Bank plc
1 West Street, Cromer
Norfolk, NR27 9HZ

Barclays Bank plc
P O Box 1, Banbury
Oxon, OX16 8PS

Paypal
Ballycoolin Industrial Estate
Dublin 15, Ireland

SumUp Payments Limited
32-34 Great Marlborough Street
London, W1F 7JB

CCLA Investment Management Limited
Senator House
85 Queen Victoria Street
London, EC4V 4ET

Investment Managers

Cazenove Capital
1 London Wall Place
London, EC2Y 5AU

Insight Financial Advisors
7a Alkmaar Way
Norwich International Business Park
Norwich, Norfolk, NR6 6BF

REPORT OF THE BOARD OF TRUSTEES

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the independently examined financial statements of Midland & Great Northern Joint Railway Society (the Charity/Society) for the year ended 31 January 2022. The Trustees confirm that the annual report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition - October 2019).

The Charity qualifies as small under section 383, so the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 is not required.

Objectives and Activities

Objectives

The Society's principal objective is to advance public education by the acquisition, restoration, preservation and exhibition of locomotives, rolling stock and other railway artefacts and, in particular, those of the former Midland and Great Northern Joint Railway (M&GNJR) and its antecedent and successor companies. Its vision for the foreseeable future is to focus on the geographical area of the M&GNJR and other aspects of East Anglian railway history by means of this mission statement (reaffirmed annually in the 2018-2023 Strategic Plan):

- a) Ownership, restoration and operational display of locomotives appropriate to the Society;
- b) Ownership, restoration and operational display (where practicable) of historic carriages and wagons;
- c) Assisting other organisations to restore and display locomotives, rolling stock and other railway structures and artefacts, through the provision of financial support, technical advice or such other appropriate support;
- d) Ownership and display of museum collections that inform and educate;
- e) Assisting other organisations with an interest in educating about railway history, through the provision of advice, access to and loan of artefacts in the Society's possession and other appropriate support;
- f) The North Norfolk Railway (NNR) to be the Society's preferred (but not necessarily exclusive) partner for pursuing the aims in a) to e) above; and
- g) Maximise the Society's revenue earning capability in order to support the above aims.

Main Activities

The Society's main activities undertaken in relation to the above purposes are as follows:

- acquisition, restoration, preservation and exhibition of the railway items mentioned above principally utilising the facilities of the NNR which assists in these being achieved;
- scheduled running of locomotives, carriages and rolling stock for public access, mainly on the NNR but occasionally at other locations;
- where possible contracting restoration and maintenance works to the NNR's engineering facilities at Weybourne but using outside specialist contractors or volunteers where considered appropriate;
- operating the *William Marriott Museum* (WMM) at Holt for the display of artefacts and documents;
- operating a shop selling, amongst other items, railway publications of an historical and educational nature and increasingly, those produced in-house; and
- awarding grants to the NNR and others to support projects that are consistent with the Society's principal objective.

Main Activities to Further the Society's Purposes for the Public Benefit

The Society is based at the NNR, whose aims are to operate a heritage railway for the benefit of the public, currently 5¼ miles from Sheringham via Weybourne to Holt. Train services normally operate on around 280 days of the year for public enjoyment. This enables members of the public to view the Society's preserved steam and diesel locomotives in operation hauling carriages owned by the NNR but occasionally, particularly at special events, visitors may also travel in the Society's preserved operational vintage carriages.

REPORT OF THE BOARD OF TRUSTEES – Continued

Objectives and Activities (continued)

Main Activities to Further the Society's Purposes for the Public Benefit (continued)

The NNR's engineering facilities where Society locomotives and rolling stock are restored and maintained are not generally open to the public for safety reasons but viewing can be arranged, and guided tours are offered at some special events. The *William Marriott Museum*, named after the M&GNJR's chief engineer, located at Holt houses the Society's extensive collection of railway objects, artefacts and records. It is open to the public every day when the railway is running and offers free entry to visitors arriving by train.

These activities help to educate and entertain the general public as part of the development and history of railways. They are complemented by the educational reading material in the museum and the publications about railways which are available to purchase from the Society's Weybourne shop, the museum and online.

Public Benefit

The Society aspires to be a professional charitable organisation, adding historical value to the knowledge of the general public about the "M&GNJR" and East Anglian railways in general, in a manner which is both educational and fun for its members and the general public.

In the exercise of its powers in relation to its objectives and missions, the Board of Trustees has paid due regard to the published guidance from the Charity Commission on the operation of the Public Benefit requirements under the Charities Act 2011.

Volunteers

The Society relies entirely on volunteers to achieve its aims and objectives and has no paid staff. Volunteers are involved with restoration and maintenance projects, running the Society's Museum, sales and fund-raising, marketing, finance, governance and administration. Volunteers of the Society are normally members who pay an annual subscription, often supplemented by regular or one-off donations to their choice of fund and many are also volunteers for the NNR.

Achievements and Performance

Summary of the Main Achievements

Conservation (Restoration) – There were two projects under the care of the *Joint Heritage Coach Fund* volunteers' team throughout the year, albeit still working within Covid restrictions in the workshop. Good progress was made on the interior and electrics of Thompson BSF 1866. The erection of a tented scaffolding platform in the siding at Holt last year enabled a small group to fully restore and re-paint SR Brake 555167 by March 2022. As reported in *Joint Line* last year, a rail weighbridge being removed from an Ipswich yard for scrapping was secured for the Society and moved to Holt where it is planned to restore it as part of the Holt Development project.

Conservation (Operation) – Following the premature closure of the Railway from November 2020 due to Covid, the NNR was able to resume operations from April 2021, again with some restrictions. It remained in almost normal operation throughout the remainder of the year and indeed up to planned closure in early January 2022. This reflects an increase in the aggregate of Society steam locomotive turns of 151 (2021 111) with B12 achieving 54 (2021 58), Y14 43 (2021 34) and WD 54 (2021 19). For the diesels, out-of-overhaul Class 31 achieved 37 turns, including shunting and trip workings. The Class 08 was on duty as Sheringham pilot. Finally, the Class 101 DMU achieved 101 turns.

Conservation (Maintenance and overhauls) – This financial year has seen probably the lowest ever motive power maintenance costs at just over £13k in total, reflecting well-maintained and reliable units. *Wissington's* boiler overhaul cost £24k in this year and is virtually complete but awaits fitting of its new safety valve casting. A procurement process for new cylinder castings as spares for its next overhaul continues in 2022. The locomotive is likely to be spending this summer at *Mid Suffolk Light Railway*.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

REPORT OF THE BOARD OF TRUSTEES – Continued

Achievements and Performance (continued)

Summary of the Main Achievements (continued)

Class 31 D5631 finally emerged from works last summer after its mechanical and electrical overhauls. Work continues to complete the installation of the new steam heating system. *Ring Haw* hasn't steamed since purchase by the Society and the B12 completed its season at a special weekend last October and was withdrawn for overhaul. Preliminary overhaul works on both locomotives have commenced.

The Society's other heritage vehicles continued to receive maintenance during the year, although both remained non-operational. The Austin TK lorry became a 'runner' again in March 2022 and it is hoped to have the Grove Allen crane operational again in 2022 to assist with the B12 and Ring Haw boiler lifts.

Museum – Visitors to *William Marriott Museum* in July – October were 5,848 (2020 February/March 712) compared with over 18k in a normal full season pre-Covid.

Railway Cottage at Holt – Following closure of the NNR's Education Department before Covid, the Society has assumed responsibility for the cottage, which it owns. The former volunteers continue to open and maintain it and hosted over 8,000 visitors between re-opening in July and the end of October.

Other education – *Joint Line* maintained its high-quality standards as a journal. The Society's new book *A Pictorial History of the B12s*, published in October to coincide with the locomotive's withdrawal for overhaul, achieved sales of £4,397 by the end of the financial year.

Grants – one was awarded and paid for the costs of interior panelling in one vehicle of the Class 104 DMU restoration project. This vehicle made its first test run in March 2022 and will become a very useful addition to the NNR DMU fleet. Other grants previously awarded to the NNR await completion of the relevant projects.

Legacies – Three cash legacies totalling £82,905 were notified and accounted for in 2021-22. One of £5k carries a direction for spending on wagon repairs but there are no directions attached to the other two.

Investments – The portfolios continued to perform well during the year, even if at £850k aggregate fair values at year end they were slightly down on earlier peaks but ahead of 2021's £833k and the £800k original investment from the legacy in 2019. In addition to the gains, the investments delivered over £13k of income (2021 - £13k) and the unquoted Loan Note of £100k continued to provide an 8% cash annual return.

Primary Purpose Trading comprising Weybourne bookshop, eBay shop and own-publications more than doubled turnover to £31k (2021 £14k), the Weybourne bookshop re-opening from July 2021, having been closed from the end of March 2020 due to Covid. These sales produced over £16k of net income compared with just under £8k in 2021.

REPORT OF THE BOARD OF TRUSTEES – Continued

Financial Review

The results for the year are set out in the attached financial statements from page 10 onwards. Total incoming resources amounted to £321,361 (2021 £276,515) which, after total expenditure of £169,575 (2021 £265,368) and unrealised investment gains of £20,474 (2021 £31,626), resulted in net income before transfers of £172,260 (2021 £42,773). At the end of the period, the Society had net assets of £3,103,434 (2021 £2,931,174).

General Fund is the sole purely unrestricted fund. The income amounted to £154,894 with expenditure of £95,750 and net transfers to/from other funds of £69,380 (see notes 19 and 22). Members' subscriptions raised £54,425 (including Gift Aid) to meet the Society running costs of £72,099, including *Joint Line*, asset insurance, premises, equipment, storage, administration and governance. Weybourne shop contributed £3,770 gross margin from sales of purchased goods. Donations (including Gift Aid), bequests, museum entry fees, interest received, and sundry income produced £85,278.

Designated funds have purposes determined by the Board, but these could be changed if considered appropriate. Because of this, they are classified as unrestricted in the Statement of Financial Activities and on the Balance Sheet. Details of these funds, their income and expenditure, balances and purposes are shown in note 20.

Restricted funds are for specific purposes enabling donors, who provide the majority of the income, to direct their donations to the funds in the knowledge they will only be spent on the specified purpose. Details of these funds are shown in note 21. The majority of funds are for locomotives and carriages and wagons restoration and maintenance but also a museum operating fund (which receives visitors' donations), a fund for developing Holt Goods Yard (also receives donations), a fund for the Heritage Lottery funded carriage sheds (the expense being the depreciation of the sheds' costs) and a fund for small grants (which receives donations).

Endowment Fund holds no cash and represents the acquisition values of NNR shares and heritage assets.

All funds maintained positive balances at 31 January 2022 (2021 all positive).

Reserves Policy and Going Concern

The Board of Trustees is aware of the need to maintain as a minimum sufficient unrestricted free reserves to meet ongoing direct and administrative expenditure for a period of at least 12 months. At 31 January 2022 the balance on General Fund is £280,815 of which approximately £189,000 is represented by free reserves. This is more than adequate for the Society's average annual running costs referred to above and so the Board considers its minimum free reserves policy is being achieved and the Society is a going concern.

However, the Board is also aware of the need to generate additional unrestricted free reserves to help meet the costs of specific restoration and ongoing maintenance projects when there are insufficient specific funds. In the past the General Fund has provided funds towards steam loco overhaul costs and the Class 31's steam heating facilities. In 2020-21 it funded the acquisition of the Class 101 DMU and mobile crane and maintenance of the crane, Class 08 shunter and Austin lorry.

Investment Policy

Cash which may be required at short notice is held in current and deposit accounts with the Society's banks except for that not required in the immediate short term which is deposited with CCLA Investment Management Ltd in its COIF Charity Funds. The Board considers this to be the most suitable place to safeguard such funds. However, with the receipt of the large legacy in 2019-20, the trustees reviewed the policy for market investments and sought appropriate investment advice. The new policy was adopted by the Board in their meeting on 21 September 2019.

REPORT OF THE BOARD OF TRUSTEES – Continued

Financial Review (continued)

Investment Policy (continued)

In formulating the policy, the Board had regard to the guidance given by the Charity Commission. A summary of the policy is as follows:

- Objectives - A target annual investment return of not less than 2% above the annual rate of inflation;
- Risk - Cautious, return as above and at least 60% of funds in assets with low to medium risk attached, diversified by asset class and fund manager with not more than 35% of funds invested in a single investment;
- Timeline - Not expected to liquidate in the short term, say less than three years; and
- Management of Investments - An Investment Committee comprising three Trustees to give instructions to investment/fund managers, monitor the investments' performance and report to the Board.

Other investment is in NNR shares and bonds which are explained elsewhere in this report.

Future Developments

The Society has a 5-year Strategic Plan which is reviewed and updated annually by the Board of Trustees. It was reviewed in December 2021, again considering the effects of COVID-19 and the recovery therefrom on the Society's operations and activities at the time and to the end of the plan in 2023.

Structure, Governance and Management

Governing Document and Constitution

Midland and Great Northern Joint Railway Society ('the Society') is a charitable company limited by guarantee, incorporated on 17 April 1997 and registered as a charity on 30 July 1997. The company was incorporated under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Each principal member of the Society is, therefore, a member of the company and has a right to attend and vote at company general meetings. In the event of the company being wound up each member undertakes to contribute an amount not exceeding £1.

Recruitment and Appointment to Board of Trustees

Under the company's Memorandum and Articles, the directors are known as members of the Council of Management or Governing Body. The 2012 Strategy Plan introduced the designation Board of Trustees. The articles require all Board members to be members of the company. The Board has power to appoint any person to be a member of the Board and any member (of the Board) so appointed may hold office until the following Annual General Meeting and shall then be eligible for re-election. Members of the Board aged 70 or over are subject to annual re-election. Apart from these and those retiring by choice, one-third of the Board is subject to re-election on an annual basis.

The Board of Trustees is always mindful of the need to maintain skills, knowledge and commitment on the Board and is alert to potential new candidates. When suitable candidates become available, their attributes are considered and where appointment is appropriate and desirable, a vote is taken by the Board. Most candidates are generally already known and have usually held a volunteer role before being elected.

REPORT OF THE BOARD OF TRUSTEES – Continued

Structure, Governance and Management (continued)

Organisational Structure and Decision Making

The Board of Trustees manages the Society. Board members are elected for their knowledge and/or expertise and each has specific unpaid executive responsibilities. The Board meets at least 6 times a year. In between meetings, matters requiring the Board's authorisation are dealt with by email and/or telephone and then ratified and minuted at its next meeting. Board members have responsibilities for projects and activities and have decision-making and spending authorities within parameters and budgets approved by the Board.

As the Society is entirely voluntarily run, it has no Chief Executive Officer, but the Chairman, Vice-Chairman, Treasurer, Society Secretary and Company Secretary are regarded as senior staff and comprise an informal Executive Board to deal with relevant matters as required.

Risk Management

The Society's policy when carrying out a project is that there must be sufficient expectation that it will be able to meet all costs from existing funds or new donations, appeals and/or grant applications. No project is allowed to proceed without the Board of Trustees being reasonably satisfied that suitable funds can be or have been raised. The Board also requires regular written reports on progress and ongoing funding of projects.

The Society uses the operations of the NNR as a venue for public exhibition of its assets and provision of facilities for restoration and storage. The Board feels that the level of involvement and general co-operation between the two organisations has justified its investment and reduced the risk of commercial failure.

The Board is responsible for safeguarding the Society's assets and so ensures that relevant levels of insurance cover are provided where appropriate. The trend has been and will continue to be one of increasing cost and the Society jointly insures its risks with the NNR to ensure that there are no gaps or duplication in cover across the two organisations. The cover held by the Society is reviewed annually and approved by the Board.

Wherever possible, liability for the protection of Society assets is passed to users and borrowers of assets under formal running/display agreements. The Society strongly encouraged the formal locomotive inspection documentation, schedules and examinations introduced on the NNR (mainline standard A, B and C exams) in order to help safeguard the condition of its operational locomotives.

The Board is aware of the membership's ageing profile and seeks to involve younger members at Board level and in restoration projects to help deliver a secure membership base for the future.

The Board considers from time to time the major risks to which the Society may be exposed and where possible takes action or introduces procedures to mitigate those risks. The situation is kept under review.

Relationships with related parties

Under the terms of the Society's Memorandum of Association, it has the power to subscribe for shares, stocks, debentures or other securities of any other company, enabling it to invest monies not immediately required for furtherance of its objects in such investments, securities or property as the Board may consider fit.

Shares have been subscribed for in the NNR, which is not a charity, as part of the strategic alliance between the two organisations. The Society, which is the major shareholder, is able to appoint up to three Board members to the NNR Board and has other members on strategic committees which helps to strengthen the partnership. This investment has been made purely for the purpose of assisting that company to enhance facilities and equipment, creating a more secure and appropriate base for the Society's assets and a venue to enable the Society to exhibit its assets to the public. No financial return is anticipated as the NNR does not have authority under its Articles of Association to pay dividends. However, investments in NNR Bonds in February 2014, January 2017 and March 2020 for a similar purpose do earn interest.

REPORT OF THE BOARD OF TRUSTEES – Continued

Structure, Governance and Management (continued)

Relationships with related parties (continued)

The Society continues to support by other means, e.g. grants, specific heritage projects undertaken by the NNR which, in the opinion of the Board of Trustees, are in line with the Society's charitable activities and objectives.

The Society and NNR are related parties and details of transactions etc. are shown in note 16 to the accounts. The current method of 'investment' provides the following non-monetary benefits:

- influence at the NNR Board level through involvement of our nominated representatives;
- improved relationships between the two organisations, enabling them to progress the same strategic aim of developing the railway between Sheringham and Holt as a live working heritage museum; and
- the Society's continued use of NNR's facilities for storage, restoration and maintenance of its assets.

Over time, the investment has aided the provision of a permanent home for the Society's other equipment, artefacts, documents and records, enabling more of these to be publicly exhibited than had previously been possible due to the lack of adequate display facilities. Thus, the investment continues to be particularly relevant to the Society in meeting its charitable aims although without any dividend or distribution return.

The Society also owns 100% of the issued capital in Midland & Great Northern Heritage Ltd, which was set up as a wholly owned subsidiary for non-charitable trading activities. At the date of publication of the financial statements the company was not trading.

Fundraising Activities

Society Trustees are legally responsible for the Society's fundraising activities and are committed to comply fully with the Charity Commission guidance CC20 on the duty of Trustees to have oversight of fundraising practices.

Society members are encouraged to donate to Society funds through articles and advertisements in *Joint Line*. Members of the public travelling on the NNR are invited through leaflets displayed there to become Society members or to contribute to the various funds which support our heritage assets and charitable activities. The Society website, through which our eBay shop operates, also details ways in which supporters can raise funds for the Society by using easyfundraising when they shop online with various retail sites. The Society does not cold call or make public or static collections and has not used the services of a professional fundraiser or commercial participator during the year. All funds raised are used to enable the Society to undertake activities in pursuit of its charitable objectives, and if given for a restricted purpose recorded as such and only used for that purpose.

All fundraising activity by the Society is monitored by the Trustees, who are not aware of any failure to comply with the Fundraising Code of Practice. No complaints about our fundraising were received during the year.

Responsibilities of the Board of Trustees

Company and charity law requires the Board of Trustees to prepare financial statements for each financial year. Under that law the Board has elected to prepare the financial statements in accordance with Generally Accepted Accounting Practice in the UK and Republic of Ireland and applicable law. The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of the incoming resources and application of resources, including income and expenditure, of the charitable company for the financial year. In preparing those financial statements, the Board is required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the current Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

REPORT OF THE BOARD OF TRUSTEES – Continued

Responsibilities of the Board of Trustees (continued)

The Board of Trustees is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Board is 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. Finally, the Board is responsible for the maintenance and integrity of the corporate and financial information included on the Society's website.

Members of the Board of Trustees

Members of the Board of Trustees, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year to 31 January 2022 were:

N Sharpe	Chairman	P W Mayne	
K R Ashford		S D Roberts	
A M Barrs	Vice Chairman	N A Scarlett	
M R Blee	Assistant Treasurer	R H Spicker	Society Secretary
A E Dewey	Treasurer & Company Secretary	G Wigglesworth	
D C Greeno			

M R Blee and S D Roberts, having been co-opted to the Board on 6 October 2021, offer themselves for election at the forthcoming Annual General Meeting.

Pursuant to Article 37, A E Dewey, D C Greeno, N Sharpe and P W Mayne, being age 70 or over at the forthcoming Annual General Meeting, are subject to annual re-election. All four Trustees offer themselves for re-election at that meeting.

Pursuant to Articles 36 and 38 one-third of the remaining directors, N A Scarlett and G Wigglesworth, retire and being eligible offer themselves for re-election at the forthcoming Annual General Meeting.

As at 31 January 2022 N Sharpe, A M Barrs and A E Dewey represented the Society on the NNR Board.

The Society insures against risks to its assets and the various aspects of its activities by way of joint policies with the NNR. These include directors, officers and trustees' liability, including professional indemnity, cover and the estimated indemnity premium for Society board members is £211 (2021 £125), being a proportion of the total premium £1,923 (2021 £1,140).

Independent Examiner / Auditors

Peters, Elworthy & Moore were appointed Auditors/Independent Examiner at the 2021 Annual General Meeting and the Board of Trustees has elected to dispense with an audit for these financial statements.

Exemption Statement

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 applicable to smaller companies subject to the small company regime.

M Sharpe
Chairman

21 May 2022

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

**STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JANUARY 2022**

	Note	Unrestricted funds £	Restricted funds £	Endowment fund £	2022 Total £	2021 Total £
Income and endowments from:						
Donations and legacies	3	81,904	32,814	-	114,718	109,832
Other trading activities	4	-	7,986	-	7,986	8,030
Investments & interest receivable	5	1,635	21,715	-	23,350	23,684
Charitable activities:						
Conservation activities	7	83,675	5,621	-	89,296	61,770
Education activities	8	521	-	-	521	2,005
Membership subscriptions	9	54,425	-	-	54,425	56,810
Primary purpose trading	10	15,409	15,656	-	31,065	14,384
Total income		<u>237,569</u>	<u>83,792</u>	<u>-</u>	<u>321,361</u>	<u>276,515</u>
Expenditure on:						
Raising funds	6	-	8,588	-	8,588	7,865
Charitable activities:						
Conservation activities	7	83,073	16,332	-	99,405	219,708
Education activities	8	3,601	1,361	-	4,962	6,500
Membership	9	41,924	-	-	41,924	24,679
Primary purpose trading	10	13,517	1,179	-	14,696	6,616
Total expenditure		<u>142,115</u>	<u>27,460</u>	<u>-</u>	<u>169,575</u>	<u>265,368</u>
Net income (expenditure) before investment gains		95,454	56,332	-	151,786	11,147
Net gains on investments	15	<u>-</u>	<u>20,474</u>	<u>-</u>	<u>20,474</u>	<u>31,626</u>
Net income before transfers	12	95,454	76,806	-	172,260	42,773
Transfers between funds	22	(63,585)	63,335	250	-	-
Net Movement in Funds		<u>31,869</u>	<u>140,141</u>	<u>250</u>	<u>172,260</u>	<u>42,773</u>
Total Funds brought forward		807,762	1,532,782	590,630	2,931,174	2,888,401
Total Funds carried forward	19	<u>839,631</u>	<u>1,672,923</u>	<u>590,880</u>	<u>3,103,434</u>	<u>2,931,174</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 13 to 30 form part of these financial statements.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
Company Limited by Guarantee Registered Number 03355411

BALANCE SHEET AS AT 31 JANUARY 2022

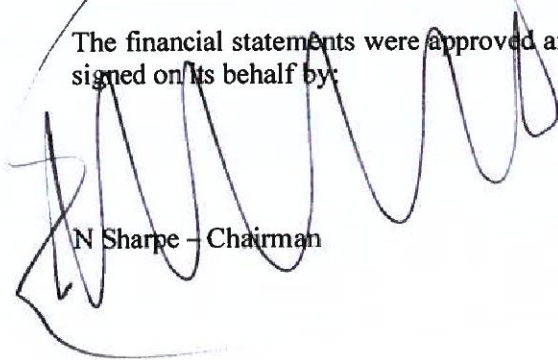
	Note	2022 £	2021 £
Fixed Assets			
Heritage assets	14	525,455	532,450
Tangible assets	14	385,179	398,284
Investments	15	1,244,746	1,227,602
Total fixed assets		2,155,380	2,158,336
Current Assets			
Stocks		69,353	70,393
Debtors	17	97,395	92,904
Cash at bank and in hand		795,281	619,210
Total current assets		962,029	782,507
Liabilities			
Creditors: Amounts falling due within one year	18	13,975	9,669
Net current assets		948,054	772,838
Total assets less current liabilities/net assets		3,103,434	2,931,174
Funds of the charity			
Endowment fund	22	590,880	590,630
Restricted income funds	21	1,672,923	1,532,782
Unrestricted funds	19	839,631	807,762
Total charity funds		3,103,434	2,931,174

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") relating to small companies, and members have not required the company to obtain an audit for the period in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements, which have been prepared in accordance with the provisions applicable to companies subject to the small company regime.

The notes on pages 13 to 30 form part of these financial statements which comprise the Statement of Financial Activities (incorporating Income and Expenditure Account), Balance Sheet, Statement of Cash Flows and Notes thereto.

The financial statements were approved and authorised for issue by the Board of Trustees on 21 May 2022 and signed on its behalf by:



N Sharpe - Chairman



A E Dewey - Treasurer

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2022**

	Note	2022 Total £	£	2021 Total £	£
Cash flows from operating activities					
Net cash (used in)/generated by operating activities	24		173,474		(34,932)
Cash flows from investing activities					
Dividends, interest and rent from investments	24	23,350		23,684	
Purchase of property, plant and equipment	14	(24,083)		(171,102)	
Proceeds from the disposal of listed investments	15	58,796		140,162	
Gift of unlisted investments	15	(250)		-	
Purchase of listed investments	15	(65,097)		(136,657)	
Net cash used in investing activities			(7,284)		(143,913)
Change in cash and cash equivalents in the reporting period			166,190		(178,845)
Cash and cash equivalents at the beginning of the reporting period	25		633,692		812,537
Cash and cash equivalents at the end of the reporting period	25		799,882		633,692

The notes on pages 13 to 30 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2022

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Charities SORP (FRS 102) (Second Edition – October 2019) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). The financial statements also comply with the requirements of sections 394 and 395 of the Companies Act 2006, and with the requirements of the Act relating to the financial statements in so far as applicable to the company.

During the year, there have been no discontinued activities or new activities acquired.

The financial statements are prepared in sterling, which is the functional currency of the Society. There are no recognised gains or losses other than those included in net income. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). Other than the unrealised gains on quoted assets, historical cost surpluses and deficits are as recorded in the Statement of Financial Activities.

Going concern

The Board has assessed by means of budgets, forecasts and other information that the Society will have adequate reserves and cash twelve months from the date these accounts are approved to maintain the Society's assets in operational condition. Accordingly, the Board continues to adopt the going concern basis of accounting in preparing these financial statements.

Group accounts

These are the separate financial statements of the company as it is entitled to the exemption under Section 398 of the Companies Act 2006 from the obligation to prepare group accounts.

Income

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

Subscriptions, donations etc., income from support clubs, shop and other sales, museum entry fees are recognised upon receipt. Locomotive steaming and rolling stock hire fees represent fees earned during the period exclusive of VAT.

Donation income is recognised when received or, before receipt if it becomes reasonably certain that the donation will be received and the value of the income can be reliably measured. Gift Aid reclaimed is included as received during the period and if claims have been lodged but not settled after the end of the period.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Interest represents income received from bank and COIF deposits (with the latter allocated to funds with average balances of at least £10,000 throughout the period), the NNR bond and the steam loco legacy investments. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank. Wholesale educational publishing sales are included at the point of invoicing.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2022 continued

1. Accounting policies - continued

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Expenditure is included on an accruals basis, exclusive of any VAT, provided that has been or is expected to be recovered. Costs are allocated to expense headings on a direct cost basis.

Trading costs are those incurred on the Charity's shops and publications. Costs of generating funds comprise costs associated with running the support clubs.

Charitable activities are costs incurred on the Charity's conservation and education activities, including support costs and costs relating to the governance of the Charity apportioned to charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include central costs. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the yearend are noted as a commitment, but not accrued as expenditure.

Tangible Fixed Assets (including Heritage Assets) and Depreciation

Purchased items are included at cost and donated items are included at no value or cost associated with acquisition. Individual items costing less than £1,000 are not generally capitalised, although exceptional Museum Collection items may be.

Restoration costs of heritage assets are not capitalised as the expense is intended to restore the items to original condition and not enhance or alter them. Steam locomotive boiler overhaul costs have been capitalised as components with effect from 1 February 2012.

Depreciation is only charged on these historic artefacts and items where the carrying value is considered to be greater than the residual value. For operational heritage assets and locomotive boilers, depreciation is provided at the rate of 10% straight line. Other items are depreciated on a straight-line basis as follows: storage facilities 10%, office equipment 33⅓%, shop equipment 10%, museum fittings and equipment 10% and carriage sheds 2%. Annual impairment reviews of all tangible assets, except the Museum Collection, are carried out at the time of preparation of the financial statements and coinciding with the review of sums assured for insurance purposes.

Museum lease

The cost of the museum lease premium is being amortised over fifty years from August 2006 when the museum building first came into use. The lease actually runs for fifty years from 11 April 2008. The costs of museum tenant's improvements are being depreciated over twenty five years.

Investments

Investments are included at fair value except for those not listed on a recognised stock exchange and subsidiary undertakings/associates which are included at cost or par value.

Intangible Income

No income is recognised for donated services etc. unless any cost borne by the donor can be determined. No monetary value is placed on the services of volunteers unless a value can be determined such as in grant claims.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2022 *continued*

1. Accounting policies - continued

Fund Accounting

The Society's restricted funds relate to locomotives, rolling stock, museum and educational activities and grants for heritage projects. Restrictions arise when specified by the donor. Where the donor does not specify a particular fund, donations are included in unrestricted funds which are used in accordance with the charitable objects at the discretion of the Board of Trustees. This includes the designation of funds to specific projects, some of which may already be financed partly by restricted funds. Governance costs are charged to the general unrestricted fund. Endowment fund represents investments made by the Society under its Articles of Association, including in heritage assets.

Stock

Stock consists of relevant merchandise for sale and exceptional quantities or items of materials or spares for restoration projects and maintenance which have been purchased to secure special items or to gain a price advantage. All stock has been valued at the lower of cost and net realisable value.

In-house produced educational publications are not valued for stock purposes at the end of the year of publication or subsequently as they are considered as 'back issues' with less sales potential.

Donated items for sale are not valued upon receipt or at the year-end due to the large volume of items received and which would be onerous to count and value with limited volunteer resources and in any case most sell fairly quickly and it is considered that the aggregate value at selling price remains reasonably constant.

Cash at bank and in hand

Cash at bank and cash 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.

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.

Financial instruments

The society only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2022 continued

2. Status

The Society has no share capital, being a company limited by guarantee incorporated in England and Wales and is a registered charity. Each member in the event of a winding up guarantees to contribute a sum not exceeding £1. Midland and Great Northern Joint Railway Society meets the definition of a public benefit entity under FRS 102.

3. Income from donations and legacies

	Unrestricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
Donations	3,999	27,814	31,813	7,515	26,187	33,702
Legacies	<u>77,905</u>	<u>5,000</u>	<u>82,905</u>	<u>76,130</u>	<u>-</u>	<u>76,130</u>
	<u>81,904</u>	<u>32,814</u>	<u>114,718</u>	<u>83,645</u>	<u>26,187</u>	<u>109,832</u>

4. Other trading activities

	Unrestricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
Locomotive support clubs	<u>-</u>	<u>7,986</u>	<u>7,986</u>	<u>-</u>	<u>8,030</u>	<u>8,030</u>

5. Investments & interest receivable

	Unrestricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
UK quoted investments	-	13,690	13,690	-	13,019	13,019
UK unquoted investments	1,549	7,992	9,541	-	8,014	8,014
Bank interest	<u>86</u>	<u>33</u>	<u>119</u>	<u>2,429</u>	<u>222</u>	<u>2,651</u>
	<u>1,635</u>	<u>21,715</u>	<u>23,350</u>	<u>2,429</u>	<u>21,255</u>	<u>23,684</u>

6. Expenditure on raising funds

	Unrestricted funds	Restricted funds	2022 Total funds	Unrestricted funds	Restricted funds	2021 Total funds
Expenditure						
Locomotive support clubs	-	2,742	2,742	-	2,362	2,362
Marketing	-	431	431	285	-	285
Investment management charges	-	5,415	5,415	-	5,185	5,185
Support costs (note 11)	<u>-</u>	<u>-</u>	<u>-</u>	<u>33</u>	<u>-</u>	<u>33</u>
	<u>-</u>	<u>8,588</u>	<u>8,588</u>	<u>318</u>	<u>7,547</u>	<u>7,865</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2022 continued

7. Conservation activities

	Unrestricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
Income						
Locomotive & rolling stock hire fees	82,675	5,621	88,296	58,770	2,000	60,770
Premises licence fee	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
	<u>83,675</u>	<u>5,621</u>	<u>89,296</u>	<u>59,770</u>	<u>2,000</u>	<u>61,770</u>
Expenditure						
Maintenance & operation	22,348	2,100	24,448	72,635	16,638	89,273
Restoration costs	-	6,364	6,364	-	35,499	35,499
Grant paid	3,168	-	3,168	-	-	-
Insurance	13,239	-	13,239	15,592	-	15,592
Equipment & storage	1,100	-	1,100	1,100	198	1,298
Depreciation	32,068	7,868	39,936	53,720	7,868	61,588
Support costs (note 11)	<u>11,150</u>	<u>-</u>	<u>11,150</u>	<u>16,458</u>	<u>-</u>	<u>16,458</u>
	<u>83,073</u>	<u>16,332</u>	<u>99,405</u>	<u>159,505</u>	<u>60,203</u>	<u>219,708</u>
Net income/(expenditure)	<u>602</u>	<u>(10,711)</u>	<u>(10,109)</u>	<u>(99,735)</u>	<u>(58,203)</u>	<u>(157,938)</u>

8. Education activities

	Unrestricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
Income						
Museum entry fees	<u>521</u>	<u>-</u>	<u>521</u>	<u>2,005</u>	<u>-</u>	<u>2,005</u>
	<u>521</u>	<u>-</u>	<u>521</u>	<u>2,005</u>	<u>-</u>	<u>2,005</u>
Expenditure						
Equipment & storage	500	272	772	2,000	325	2,325
Subscriptions & donations	-	208	208	-	146	146
Depreciation	2,618	881	3,499	2,618	880	3,498
Support costs (note 11)	<u>483</u>	<u>-</u>	<u>483</u>	<u>531</u>	<u>-</u>	<u>531</u>
	<u>3,601</u>	<u>1,361</u>	<u>4,962</u>	<u>5,149</u>	<u>1,351</u>	<u>6,500</u>
Net expenditure	<u>(3,080)</u>	<u>(1,361)</u>	<u>(4,441)</u>	<u>(3,144)</u>	<u>(1,351)</u>	<u>(4,495)</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2022 continued

9. Membership

	Unrestricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
Income						
Membership fees	<u>54,425</u>	-	<u>54,425</u>	<u>56,810</u>	-	<u>56,810</u>
	<u>54,425</u>	-	<u>54,425</u>	<u>56,810</u>	-	<u>56,810</u>
Expenditure						
Joint Line publishing	20,491	-	20,491	16,793	-	16,793
Administration	15,806	-	15,806	5,340	-	5,340
Support costs (note 11)	<u>5,627</u>	-	<u>5,627</u>	<u>2,546</u>	-	<u>2,546</u>
	<u>41,924</u>	-	<u>41,924</u>	<u>24,679</u>	-	<u>24,679</u>
Net income	<u>12,501</u>	-	<u>12,501</u>	<u>32,131</u>	-	<u>32,131</u>

10. Primary purpose trading

	Unrestricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
Income						
Shop & publishing sales	<u>15,409</u>	<u>15,656</u>	<u>31,065</u>	<u>8,107</u>	<u>6,277</u>	<u>14,384</u>
	<u>15,409</u>	<u>15,656</u>	<u>31,065</u>	<u>8,107</u>	<u>6,277</u>	<u>14,384</u>
Expenditure						
Cost of goods sold	11,422	1,179	12,601	4,296	1,187	5,483
Equipment & storage	-	-	-	359	-	359
Depreciation	281	-	281	214	-	214
Support costs (note 11)	<u>1,814</u>	-	<u>1,814</u>	<u>560</u>	-	<u>560</u>
	<u>13,517</u>	<u>1,179</u>	<u>14,696</u>	<u>5,429</u>	<u>1,187</u>	<u>6,616</u>
Net income	<u>1,892</u>	<u>14,477</u>	<u>16,369</u>	<u>2,678</u>	<u>5,090</u>	<u>7,768</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2022 continued

11. Support costs

	2022	2021
	Total expenditure	Total expenditure
Expenditure		
Office rent & charges	9,322	9,273
Bank & credit card charges	1,169	1,038
Subscriptions & donations	867	66
Office equipment depreciation	470	603
Governance	6,809	8,606
Miscellaneous expenditure	<u>437</u>	<u>542</u>
	<u>19,074</u>	<u>20,128</u>
Allocated to		
Expenditure on raising funds (note 6)	-	33
Conservation activities (note 7)	11,150	16,458
Education activities (note 8)	483	531
Membership (note 9)	5,627	2,546
Primary purpose trading (note 10)	<u>1,814</u>	<u>560</u>
	<u>19,074</u>	<u>20,128</u>

Support costs are allocated to expenditure on the same ratio as the direct costs associated with the relevant area of activity.

12. Net income before transfers

This is stated after charging/crediting:

	2022	2021
	£	£
Depreciation	44,183	65,903
Independent Examiner's remuneration	2,825	2,750
Expenses reimbursed to Board Members	1,506	1,571
Operating lease rentals	9,100	9,100

13. Staff costs, trustee remuneration and expenses

The Society has no employees. Apart from K R Ashford who is full-time Chief Mechanical Engineer of the NNR, none of the trustees have been paid any remuneration or received any other benefits from employment by the Society or a related entity.

Expenses reimbursed to board members relate to supplies of materials, spare parts and fuel used in the restoration and operation of heritage assets, shop merchandise and other supplies and sundry administration. In all cases the suppliers are those with which the Society does not have credit accounts. The total amount of reimbursed expenses was £1,506 to 7 trustees (2021 - £1,571 to 6 trustees).

Trustees and members of their families make unconditional donations to the Society, either by way of regular monthly payments or occasional lump sums to support projects and public appeals. The aggregate total of such specifically identified donations from trustees and related parties in 2021-22 was £580 (2020-21 £588). There may have been additional unidentified donations placed in collecting boxes located at the Society's shop and museum.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2022 continued

14. Tangible Fixed Assets

	Collection Assets	Locomotive Boilers	Heritage Assets Total	Leasehold Buildings	Fixtures, Fittings & Equipment	Tangible Assets Total	Total
	£	£	£	£	£	£	£
Cost at start of year	627,117	486,470	1,113,587	520,403	48,582	568,985	1,682,572
Additions in year	-	24,083	24,083	-	-	-	24,083
Disposals during year	-	(143,101)	(143,101)	-	-	-	(143,101)
Cost at end of year	<u>627,117</u>	<u>367,452</u>	<u>994,569</u>	<u>520,403</u>	<u>48,582</u>	<u>568,985</u>	<u>1,563,554</u>
Depreciation at start of year	300,000	281,137	581,137	135,403	35,298	170,701	751,838
Charge for year	-	31,078	31,078	10,922	2,183	13,105	44,183
Disposals during year	-	(143,101)	(143,101)	-	-	-	(143,101)
Depreciation at end of year	<u>300,000</u>	<u>169,114</u>	<u>469,114</u>	<u>146,325</u>	<u>37,481</u>	<u>183,806</u>	<u>652,920</u>
Net book value at end of year	<u>327,117</u>	<u>198,338</u>	<u>525,455</u>	<u>374,078</u>	<u>11,101</u>	<u>385,179</u>	<u>910,634</u>
Net book value at start of year	<u>327,117</u>	<u>205,333</u>	<u>532,450</u>	<u>385,000</u>	<u>13,284</u>	<u>398,284</u>	<u>930,734</u>

Collection assets (and their cost/net book value) comprise historical locomotives (£459,555/£159,555), a diesel multiple unit (£100,000/£100,000), carriages and wagons (£51,732/£51,732), a road vehicle (£9,739/£9,739) and artefacts and collections (£6,091/£6,091) held for preservation and educational purposes. Locomotives and some carriages and wagons are included at cost of acquisition; no value is included for donated items as this is usually not available. The ages range from about 50 to 130 years. Locomotives and some other rolling stock are operational subject to completion of restoration or overhaul; the remainder is for static or museum display. Locomotive boilers are components related to the historical locomotives, the above disposal relating to the boiler of the B12 locomotive recently withdrawn for its 10 year overhaul.

Summary Analysis of Heritage Asset Transactions

	2022	2021	2020	2019	2018
	£	£	£	£	£
Purchases & capitalisation:					
Locomotives	-	60,000	-	35,000	-
Diesel multiple unit	-	100,000	-	-	-
Carriages and wagons	-	-	-	35,000	-
Other collection items	-	250	1,674	1,417	-
Locomotive Boilers	24,083	5,766	47,332	-	13,850
Charge for depreciation:					
Locomotive boilers	31,078	52,544	52,543	43,757	39,559
					-
Disposals carrying amounts:					
Locomotive boilers	0	-	-	-	-
Carriages and wagons	-	-	-	10	-
Proceeds from disposals:					
Locomotive boilers	0	-	-	-	-
Carriages and wagons	-	-	-	1,000	-

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2022 continued

15. Investments

	2022		2021
	£	£	£
Shares in North Norfolk Railway PLC	<u>263,763</u>		
Total Shares in Associate at cost		<u>263,763</u>	<u>263,513</u>
North Norfolk Railway PLC Bond Issue 4	30,000		30,000
Midland & Great Northern Heritage Limited	1,000		1,000
Zenzic Loan Note	<u>100,000</u>		<u>100,000</u>
Total Unquoted Investments at cost		<u>131,000</u>	<u>131,000</u>
Cazenove Charity NURS Fund	316,855		313,686
Prudential Assurance and LGT Vestra Fund	<u>533,128</u>		<u>519,403</u>
Total quoted investments at fair value		<u>849,983</u>	<u>833,089</u>
Total investments at cost or fair value		<u>1,244,746</u>	<u>1,227,602</u>
Movement in quoted fixed asset investments:		2022	2021
		£	£
Fair value at beginning of the year		818,607	790,486
Additions at cost		65,097	136,657
Disposal proceeds		(58,796)	(140,162)
Realised gains (losses)		2,691	(794)
Disposals at opening fair value		(56,105)	(140,956)
Net unrealised investment gains		<u>17,783</u>	<u>32,420</u>
Fair value at end of the year		845,382	818,607
Cash held by investment managers for re-investment		4,601	14,482
Total quoted investments at fair value		<u>849,983</u>	<u>833,089</u>

Purchases of Ordinary Shares of £1 each in North Norfolk Railway PLC (NNR), an unlisted public company, have been at par. In addition, the Society has added to its shareholding by accepting gifts and bequests of shares from members and others and these are also included at par. At 31 January 2021 the total number of shares purchased was 214,090 and the total shareholding was 263,513. During the year no shares were purchased and 250 shares were gifted to the Society, so at 31 January 2022 the total number of shares purchased was 214,090 and the total shareholding including gifted shares was 263,763. The Society is the largest single shareholder owning approximately 30.8% (2021 31.9%) of the issued share capital.

The Society's approximately 30.8% (2021 31.9%) proportions of the share capital and profits of the NNR are:

	2022		2021	
	£	%	£	%
Share Capital	263,763	30.8	263,513	31.9
Profit and loss account	(12,930)	30.8	(75,617)	31.9
Net profit / (loss) for the year	60,079	30.8	(47,250)	31.9

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2022 continued

15. Investments - continued

The not-for-profit constitution of the NNR precludes payment of any dividend or distribution on the Society's investment. However, the benefits that derive from the investment are considerable and are noted throughout the Report of the Board of Trustees. These include access to covered accommodation and engineering facilities for restoration and storage, a secure and appropriate base for the Society's assets and a venue to exhibit them to the public either operationally or static in accordance with the charitable objectives. While it is difficult to quantify a monetary value for the benefits, the Board is of the opinion that the value of the investment at cost in these accounts is not in excess of the potential value of the future ongoing benefits so derived.

In February 2014 the Society invested £20,000 in NNR 'Bonds I' for a 3-year term of 6% compound interest accrued annually, with £3,820 received at maturity in February 2017. The nominal value of £20,000 was rolled over into a third Bond issue with an additional £10,000 new investment. The term was 3 years at 5% compound interest with £4,735 maturing in February 2020. As part of the Society's COVID-19 support package to the NNR, this sum was left outstanding at 1% interest, with £4,784 being repaid in June 2021. In March 2020 the nominal value of £30,000 was rolled over into a fourth bond issue for a 3-year term of 5% compound interest accruing annually and maturing in February 2023.

The Society holds 1,000 ordinary £1 shares, being 100% of the issued and authorised share capital of Midland & Great Northern Heritage Limited (Company number 04009464). The company was set up to undertake non-charitable trading activities but is not currently trading.

The £100,000 Zenzic Loan note is an unquoted three-year fixed term property and property development bond guaranteeing a return of 8% per annum, interest paid six monthly, over the fixed term, maturing in June 2022.

Quoted investments consist of an initial £800,000 invested in three managed mixed funds, which are stated at market value as at 31 January 2022.

Valuation

Listed investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value). The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the Charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so their ability to buy and sell quoted equities and stock is anticipated to continue. The Charity investments are mainly traded in markets with good liquidity and high trading volumes. The Charity has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Charity does not make use of derivatives and similar complex financial instruments. Investments are held for their longer term yield and total return. Historic studies of quoted financial instruments have shown that short term volatility in any particular period will normally be corrected in the long-term.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2022 continued

16. Related Parties

The trustees are the legal directors of the charity and its subsidiary and they do consider themselves part of the day-to-day management and are therefore key management personnel. However, none of the trustees received any remuneration or benefits during the year.

As outlined in note 15, Midland and Great Northern Joint Railway Society is the largest shareholder of the NNR. The following trustees holding office at the year-end are also directors of the NNR:-

A Dewey
N Sharpe
A Barrs

During the year sales to NNR were £90,374 (2021 £64,128) and purchases from them £50,298 (2021 £293,493) including assets of £nil (2021 £162,272) but excluding shares. At the year-end NNR owed the Society £16 (2021 £nil) and the Society owed NNR £nil (2021 £nil). The figures exclude VAT.

There are leases in place between the NNR and the Society in respect to its Museum Building and Carriage Sheds with provision for peppercorn ground rents payable by the Society to the NNR.

17. Debtors

	2022	2021
	£	£
Trade debtors	-	106
Prepayments and accrued income	18,991	91,427
Other debtors	78,404	1,371
	<u>97,395</u>	<u>92,904</u>

18. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade Creditors	4,165	5,809
Amounts owed to group and associated undertakings	802	802
Accruals and deferred income	4,853	3,058
Taxation and social security	4,155	-
	<u>13,975</u>	<u>9,669</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2022 continued

19. Statement of Funds

Statement of Funds – Current year	Balance at beginning of year £	Income £	Expenditure £	Investment Gains £	Transfers £	Balance at end of year £
General Fund	291,051	154,894	(95,750)	-	(69,380)	280,815
Designated Funds Note 20	516,711	82,675	(46,365)	-	5,795	558,816
Total Unrestricted Funds	<u>807,762</u>	<u>237,569</u>	<u>(142,115)</u>	<u>-</u>	<u>(63,585)</u>	<u>839,631</u>
Total Restricted Funds Note 21	1,532,782	83,792	(27,460)	20,474	63,335	1,672,923
Total Endowment Funds Note 22	590,630	-	-	-	250	590,880
	<u>2,931,174</u>	<u>321,361</u>	<u>(169,575)</u>	<u>20,474</u>	<u>-</u>	<u>3,103,434</u>

Statement of Funds – Prior year	Balance at beginning of year £	Income £	Expenditure £	Investment Gains £	Transfers £	Balance at end of year £
General Fund	321,248	153,996	(83,943)	-	(100,250)	291,051
Designated Funds – Note 20	595,718	58,770	(111,137)	-	(26,640)	516,711
Total Unrestricted Funds	<u>916,966</u>	<u>212,766</u>	<u>(195,080)</u>	<u>-</u>	<u>(126,890)</u>	<u>807,762</u>
Total Restricted Funds Note 21 – As Restated	1,541,055	63,749	(70,288)	31,626	(33,360)	1,532,782
Total Endowment Funds Note 22	430,380	-	-	-	160,250	590,630
	<u>2,888,401</u>	<u>276,515</u>	<u>(265,368)</u>	<u>31,626</u>	<u>-</u>	<u>2,931,174</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2022 continued

20. Designated Funds

Current year	Balance at beginning of year £	Income £	Expenditure £	Transfers £	Balance at end of year £
'Loco Pot'	445,711	82,675	(44,365)	5,795	489,816
Operation Phoenix	71,000	-	(2,000)	-	69,000
	<u>516,711</u>	<u>82,675</u>	<u>(46,365)</u>	<u>5,795</u>	<u>558,816</u>
Prior year	Balance at beginning of year £	Income £	Expenditure £	Transfers £	Balance at end of year £
'Loco Pot'	501,434	58,770	(109,137)	(5,356)	445,711
Locomotive Boilers	21,284	-	-	(21,284)	-
Operation Phoenix	73,000	-	(2,000)	-	71,000
	<u>595,718</u>	<u>58,770</u>	<u>(111,137)</u>	<u>(26,640)</u>	<u>516,711</u>

The Trustees have established a steam locomotive fund ('Loco Pot') which receives the steaming fees of the B12, J15/Y14 and WD when operational. This fund helps defray the costs of repairs and major overhauls of the locomotives with back-up funding from other steam locomotive funds and support clubs as required. With the new Steam Loco Legacy fund available for this purpose, the Society is well funded for repairs and major overhauls of its locomotives. At the board meeting on 18 July 2020, the trustees approved the widening of the fund's remit to include *Ring Haw*, *Wissington*, the Class 08 and the Class 101 DMU.

Locomotive Boilers fund was established from 2012-13 as part of the steam locomotive boiler capitalisation policy. The fund represented at 1 February 2012 £141,891 raised by B12 clubs' members and other donors specifically for the boiler overhaul which cost £143,101. The fund has been reduced in line with the depreciation of that cost and as at 31 January 2021 it was fully dispensed. The locomotive was withdrawn from service in October 2021 to undergo its 10 year overhaul, and as a result the £143,101 cost and accumulated depreciation has been written out of these financial statements as shown in note 14.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2022 continued

21. Restricted Funds

Current year	Balance at beginning of year £	Income £	Expenditure £	Investment		Balance at end of year £
				Gains £	Transfers £	
Loco Club (all locos)	70,244	14,615	(110)	-	(5,795)	78,954
J15	5,258	4,239	(1,408)	-	-	8,089
B12	5,182	3,791	(1,224)	-	-	7,749
B12 Overhaul Appeal	-	6,269	(431)	-	44,130	49,968
WD	3,170	1,795	-	-	-	4,965
Wissington	2,874	510	-	-	-	3,384
Ring Haw	125	250	-	-	-	375
Steam Loco Legacy	1,070,622	21,708	(5,416)	20,474	-	1,107,388
31 Fund (Class 31)	802	444	-	-	-	1,246
Diesel Club	4,202	1,490	-	-	-	5,692
Heritage Coach Fund	10,480	26,121	(9,600)	-	25,000	52,001
Quad Art Set	2,467	125	-	-	-	2,592
Museum	37,791	1,980	(523)	-	-	39,248
Museum Improvements	20,910	-	(880)	-	-	20,030
Holt Development	4,509	455	-	-	-	4,964
Carriage Sheds	291,078	-	(7,868)	-	-	283,210
Society Grants	3,068	-	-	-	-	3,068
	<u>1,532,782</u>	<u>83,792</u>	<u>(27,460)</u>	<u>20,474</u>	<u>63,335</u>	<u>1,672,923</u>
Prior year	Balance at beginning of year	Income	Expenditure	Investment Gains	Transfers	Balance at end of year
	£	£	£	£	£	£
Loco Club (all locos)	81,473	15,731	-	-	(26,960)	70,244
J15	5,446	4,193	(1,381)	-	(3,000)	5,258
B12	4,940	3,723	(981)	-	(2,500)	5,182
WD	4,900	1,170	-	-	(2,900)	3,170
Wissington	11,433	510	(9,069)	-	-	2,874
Ring Haw	-	125	-	-	-	125
Steam Loco Legacy	1,023,437	21,216	(5,657)	31,626	-	1,070,622
31 Fund (Class 31)	3,386	444	(5,028)	-	2,000	802
Diesel Club	2,732	1,470	-	-	-	4,202
Heritage Coach Fund	34,404	14,664	(38,588)	-	-	10,480
Quad Art Set	2,467	-	-	-	-	2,467
Museum	38,454	173	(836)	-	-	37,791
Museum Improvements	21,790	-	(880)	-	-	20,910
Holt Development	4,179	330	-	-	-	4,509
Carriage Sheds	298,946	-	(7,868)	-	-	291,078
Society Grants	3,068	-	-	-	-	3,068
	<u>1,541,055</u>	<u>63,749</u>	<u>(70,288)</u>	<u>31,626</u>	<u>(33,360)</u>	<u>1,532,782</u>

The income of the funds relates to donations, other contributions, shop retail and donated sales, investment income, bank interest, and designated by the Trustees, Heritage Coach Fund rolling stock hire of £2,000.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2022 continued

21. Restricted Funds - continued

At 31 January 2022 the Loco Club fund balance of £78,954 is attributable as follows: General (all locos) £26,676 J15 £5,195, B12 £3,235, W1500 £33,844, WD £5,740, *Wissington* £3,608 and Class 31 £656. The transfers of £5,795 are to 'Loco Pot' towards repairs and maintenance costs of all locomotives which the club supports.

A new fund was established during the year for the B12 Overhaul Appeal, to raise funds for the locomotive's forthcoming overhaul.

22. Endowment Fund and transfers between funds

Endowment Fund – This is not a cash fund. All heritage assets are represented in Endowment Fund, demonstrating the strategic permanency of the Society's ownership as they are unlikely to be sold or otherwise disposed of except in exceptional circumstances. Similarly, the investment in NNR shares is represented in Endowment due to the permanent nature and purpose of these in the pursuit of the charitable objectives as explained in note 15 and throughout the Report of the Board of Trustees. The transfer to Endowment Fund of £250 represents NNR shares gifted to the Society during the year.

Other Funds

The transfers totalling £5,795 from restricted funds are to 'Loco Pot' as contributions towards repairs and maintenance.

A legacy of £69,130 accounted for last year but received in February 2021 had no restrictions as to its use by the Society. At a meeting of the Trustees in March 2021, it was agreed that £25,000 of the legacy should be allocated to the Heritage Coach Fund with £44,130 being allocated to the B12 Overhaul Appeal.

The Trustees accept that this transfer of unrestricted income to restricted reserves is unusual, but the Society's Memorandum and Articles of Association empower the Trustees to make such transfers.

The transfer to the Heritage Coach Fund is appropriate, because prior necessary expenditure had depleted the fund, which was not replenished from the usual source of income as the Society shop was closed due to Covid.

Although the Society has a Steam Loco Legacy restricted fund for locomotive overhauls, the Trustees aim to allocate any unexpected unrestricted sources of income to fund locomotive overhauls, to preserve the restricted fund into the future, when such sources of income may not be available.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2022 continued

23. Analysis of net assets between funds

	Designated Funds	General Fund	Restricted Funds	Endowment Fund	Total Funds
	£	£	£	£	£
Tangible fixed assets	219,255	61,022	303,240	327,117	910,634
Investments	-	31,000	949,983	263,763	1,244,746
Net Current Assets	339,561	188,793	419,700	-	948,054
	<u>558,816</u>	<u>280,815</u>	<u>1,672,923</u>	<u>590,880</u>	<u>3,103,434</u>

Prior year	Designated Funds	General Fund	Restricted Funds	Endowment Fund	Total Funds
	£	£	£	£	£
Tangible fixed assets	228,251	63,378	311,988	327,117	930,734
Investments	-	31,000	933,089	263,513	1,227,602
Net Current Assets	288,460	196,673	287,705	-	772,838
	<u>516,711</u>	<u>291,051</u>	<u>1,532,782</u>	<u>590,630</u>	<u>2,931,174</u>

24. Reconciliation of net income to net cash flow from operating activities

	2022	2021
	£	£
Net income for the year (as per the statement of financial activities)	172,260	42,773
Depreciation charges	44,183	65,903
Gains on investments	(20,474)	(31,626)
Dividends, interest and rent from investments	(23,350)	(23,684)
(Increase)/decrease in stocks	1,040	(11,952)
Increase in debtors	(4,491)	(78,459)
Increase in creditors	4,306	2,113
	<u>173,474</u>	<u>(34,932)</u>

25. Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	795,281	619,210
Cash held by investment managers for re-investment	4,601	14,482
	<u>799,882</u>	<u>633,692</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2022 continued

26. Analysis of changes in net debt

	At 1 February 2021 £	Cash Flows	At 31 January 2022 £
Cash and cash equivalents	633,692	166,190	799,882
	<u>633,692</u>	<u>166,190</u>	<u>799,882</u>

27. Contracts and Commitments

Contracted

A contract for the supply, installation and commissioning of a steam heat boiler for Class 31 locomotive no. D5631 was entered into with King's Boiler Hire Ltd in October 2017 in the sum of £21,996. At 31 January 2022 £2,000 of the contract remained to be completed. It is planned for this work to be concluded by next winter, including the commissioning of the whole steam heating system. The loco returned to traffic in July 2021 following completion of its mechanical and electrical overhaul.

A contract for the overhaul of the boiler of 0-6-0ST No. 1700 *Wissington* was entered into with the NNR in December 2020 in the sum of £23,240. The contract provided for a contingency sum of £5,000 to cover unforeseen boiler plate replacement or other repairs pending further assessment on dismantling. In fact, in February 2021 such additional works were found to be required and £6,085 was added to the original contract, making a new total of £29,325. Repairs to the saddle tank costing £895 were added in August 2021 and a new safety valve casting costing £3,865 was added in September 2021, making a new total of £34,085. At 31 January 2022 £4,090 remained to be completed. There also remained about £2,500 of work to complete the previous contract for overhaul of the motion and frames and painting.

A contract for the overhaul phase 2 of Grove Allen H4084 crane NOY 366L was entered into with the NNR in December 2020 in the sum of £13,296. At 31 January 2022 £7,106 remained to be completed.

A contract for the overhaul of 0-6-0 ST No. 1982 *Ring Haw* was entered into with the NNR in January 2022 in the sum of £186,007. At 31 January 2022 £183,232 remained to be completed.

A contract for the dismantling prior to overhaul of B12/3 4-6-0 No. 8572 was entered into with the NNR in January 2022 in the sum of £19,525. The work commenced in March 2022.

Contingent Commitment

At 31 January 2022 grants have been awarded or pledges made towards three projects being undertaken or planned to be undertaken on the North Norfolk Railway. The aggregate amount is £16,250 but payments will be dependent upon the projects being completed.

Authorised but not contracted

In 2021 an opportunity arose to acquire a spare cylinder block casting for 0-6-0ST No. 1700 *Wissington* in a cost-sharing arrangement with the owner of the same type of locomotive. The trustees are advised by the Society's Chief Mechanical Engineer that a new cylinder block will almost certainly be required for *Wissington* at its next ten-year overhaul, if not before. Based on initial cost indications of about £3,500 to produce two new cylinder castings for a new block, the trustees approved the concept in May 2021. In December 2021, the cost indication had increased to £3,800. This figure does not include final machining of the two cylinders, which process could be left until the new block is required for fitting to the locomotive in due course. Further increased cost indications due to materials costs rises have been noted since 31 January 2022. The Society does not have a contract or any formal written agreement with a foundry.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2022 continued

28. Commitments under Operating Leases

At 31 January 2022 there were future minimum lease payments under non-cancellable operating leases for land and buildings as follows:

	2022	2021
	£	£
Not later than 1 year	9,100	9,100
Later than 1 year and not later than 5 years	17,550	26,650
Later than 5 years	-	100
	<u>26,650</u>	<u>35,850</u>

29. Post Balance Sheet Events

The Board has determined that there are no events that impact on the financial position and results of operations as of and for the year ended 31 January 2022, that have occurred after this date.

The Board further considers there are no other post balance sheet events that materially affect these financial statements.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY FOR THE YEAR ENDED 31 JANUARY 2022

I report on the accounts of the charity for the year ended 31 January 2022, which are set out on pages 10 to 30.

Responsibilities and basis of report

As the charity's trustees of the company (who are also the directors of the company for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

Having satisfied myself that the accounts of the company are not required to be audited for this year under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination, I have followed the Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act).

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 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
- the accounts have not been prepared in accordance with the Charities SORP (FRS102).

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.

Michael Hewett

Mr. M Hewett FCA DChA

Peters Elworthy and Moore
Salisbury House, Station Road
Cambridge CB1 2LA

30 May 2022

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

England & Wales - Charity number 1063676

Accounts

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY



Registered Office: Sheringham Station, Sheringham, Norfolk, NR26 8RA
A Company Limited by Guarantee Registered No. 3355411
Registered Charity No. 1063676/0

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

Reference and Administrative Details
Company Information

Board of Trustees (Directors)

N Sharpe (Chairman)
K R Ashford
A M Barrs
A E Dewey
D C Greeno
P W Mayne
N A Scarlett
R H Spicker
G Wigglesworth

Company Secretary

A E Dewey

Registered Office

Sheringham Station
Sheringham
Norfolk, NR26 8RA

Registered Company Number

03355411

Registered Charity Number

1063676/0

Working Names

M&GN Joint Railway Society
M&GN Society
M&GNJRS

Independent Examiner/Auditor

Mr M Hewett ACA DChA
Peters, Elworthy & Moore
Salisbury House
Station Road
Cambridge, CB1 2LA

Bankers

Lloyds Bank plc
1 West Street, Cromer
Norfolk, NR27 9HZ

Barclays Bank plc
P O Box 1, Banbury
Oxon, OX16 8PS

Paypal
Ballycoolin Industrial Estate
Dublin 15, Ireland

CCLA Investment Management Limited
Senator House
85 Queen Victoria Street
London, EC4V 4ET

Investment Managers

Cazenove Capital
1 London Wall Place
London, EC2Y 5AU

Insight Financial Advisors
7a Alkmaar Way
Norwich International Business Park
Norwich, Norfolk, NR6 6BF

REPORT OF THE BOARD OF TRUSTEES

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the independently examined financial statements of Midland & Great Northern Joint Railway Society (the Charity/Society) for the year ended 31 January 2021. The Trustees confirm that the Annual Report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition - October 2019).

Since the Charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

Objectives

The Society's principal objective is to advance public education by the acquisition, restoration, preservation and exhibition of locomotives, rolling stock and other railway artefacts and, in particular, those of the former Midland & Great Northern Joint Railway (M&GNJR) and its antecedent and successor companies. Its vision for the foreseeable future is to focus on the geographical area of the M&GNJR and other aspects of East Anglian railway history by means of this mission statement (reaffirmed in 2018, 2019 and 2020 in 2018-2023 Strategic Plan):

- a) Ownership, restoration and operational display of locomotives appropriate to the Society;
- b) Ownership, restoration and operational display (where practicable) of historic carriages and wagons;
- c) Assisting other organisations to restore and display locomotives, rolling stock and other railway structures and artefacts, through the provision of financial support, technical advice or such other appropriate support;
- d) Ownership and display of museum collections that inform and educate;
- e) Assisting other organisations with an interest in educating about railway history, through the provision of advice, access to and loan of artefacts in the Society's possession and other appropriate support;
- f) The North Norfolk Railway (NNR) to be the Society's preferred (but not necessarily exclusive) partner for pursuing the aims in a) to e) above; and
- g) Maximise the Society's revenue earning capability in order to support the above aims.

Main Activities

The Society's main activities undertaken in relation to the above purposes are as follows:

- acquisition, restoration, preservation and exhibition of the railway items mentioned above principally utilising the facilities of the NNR which assists in these being achieved;
- scheduled running of locomotives, carriages and rolling stock for public access, mainly on the NNR but occasionally at other locations;
- where possible contracting restoration and maintenance works to the NNR's engineering facilities at Weybourne but using outside specialist contractors or volunteers where considered appropriate;
- operating the *William Marriott Museum* (WMM) at Holt for the display of artefacts and documents;
- operating a shop selling, amongst other items, railway publications of an historical and educational nature and increasingly, those produced in-house; and
- awarding grants to the NNR and others to support projects that are consistent with the Society's principal objective.

Main Activities to Further the Society's Purposes for the Public Benefit

The Society is based at the NNR, whose aims are to operate a heritage railway for the benefit of the public, currently 5¼ miles from Sheringham via Weybourne to Holt. Train services normally operate on around 280 days of the year for public enjoyment. This enables members of the public to view the Society's preserved steam and diesel locomotives in operation hauling carriages owned by the NNR but occasionally, particularly at special events, visitors may also travel in the Society's preserved operational vintage carriages. The NNR's engineering facilities where Society locomotives and rolling stock are restored and maintained are not generally open to the public for safety reasons but viewing can be arranged, and guided tours are offered at some special events.

REPORT OF THE BOARD OF TRUSTEES – Continued

Objectives and Activities (continued)

Main Activities to Further the Society's Purposes for the Public Benefit (continued)

The *William Marriott Museum*, named after the M&GNJR's chief engineer, located at Holt houses the Society's extensive collection of railway objects, artefacts and records. It is open to the public every day when the railway is running and offers free entry to visitors arriving by train.

These activities help to educate and entertain the general public as part of the development and history of railways. They are complemented by the educational reading material in the museum and the publications about railways which are available to purchase from the Society's Weybourne shop, the museum and online.

Public Benefit

The Society aspires to be a professional charitable organisation, adding historical value to the knowledge of the general public about the "M&GNJR" and East Anglian railways in general, in a manner which is both educational and fun for its members and the general public.

In the exercise of its powers in relation to its objectives and missions, the Board of Trustees has paid due regard to the published guidance from the Charity Commission on the operation of the Public Benefit requirements under the Charities Act 2011.

Volunteers

The Society relies entirely on volunteers to achieve its aims and objectives and has no paid staff. Volunteers are involved with restoration and maintenance projects, running the Society's Museum, sales and fund-raising, marketing, finance, governance and administration. Volunteers of the Society are normally members who pay an annual subscription, often supplemented by regular or one-off donations to their choice of fund and many are also volunteers for the NNR.

Achievements and Performance

Summary of the Main Achievements

The year had barely begun when the global health crisis caused by COVID-19 emerged and had a significant impact on all businesses. The NNR closed completely on 23 March 2020, reopening with limited non-stop services between Sheringham and Holt from 8 July 2020 through to the end of October 2020. All special events were cancelled and the Norfolk Lights Express and Santa Specials only managed a much-reduced programme.

The closure impacted heavily on the Society's major income stream of locomotive steaming fees. There were initially cost savings as maintenance, overhaul and restoration stopped. However, expenditure then increased significantly as part of the support package devised to provide the NNR with income.

Fundraising was hindered as both William Marriott Museum and Weybourne Shop remained closed throughout the year. The online shop initially closed but was then able to resume around mid-May 2020.

Support from members was excellent throughout. Unfortunately, it was not possible to distribute the Summer *Joint Line* but a bumper combined Summer/Autumn volume helped to make up for that.

The values of listed investments placed with legacy money fell significantly at the end of February 2020 in line with global stock markets but recovered impressively to show gains by the year end.

REPORT OF THE BOARD OF TRUSTEES – Continued

Achievements and Performance (continued)

Summary of the Main Achievements (continued)

The Society Board acted immediately upon notice of lock down and the closure of the railway, realising that the safety of the Society's collection and survival of the NNR were paramount. Within days some excellent strategic thinking led to devising a support package to provide cash for the railway which was losing its trading income. This has been well documented but the key elements of it were:

- Purchases from the NNR of Hunslet 0-6-0 Tank Engine No. 1982 *Ring Haw*, Metro-Cammell Class 101 Diesel Multiple Unit (E51228/E56062) and Grove Allen H404 mobile crane registration No. NOY 366L. As the new owners, the Society will fund the costs of the overhauls of *Ring Haw* and the mobile crane carried out by the NNR, thus creating income;
- A contract with the NNR for the refurbishment of both bogies on Thompson BSF1866 Brake Saloon First coach. This also provided income for the NNR and a much earlier completion of this aspect of the restoration for the Society than would otherwise have been the case;
- An additional Society contribution towards the premiums of the joint NNR/Society insurance policies for 2020-21 over and above the amount which would normally be paid; and
- The Society also agreed with the NNR for the 2020 steaming fees to be reduced by a discount on the tariff rates agreed at the beginning of the season.

This package provided the NNR with much needed cash in the order of £200k.

Restoration – Restoration of the interior of Thompson BSF 1866 continued throughout most of the year but at a slower pace than anticipated due to limits on volunteers permitted to work.

Operation – Due to the reduced number of trains in 2020, the Society's fleet achieved fewer steamings (111) than in 2019 (194). B12 achieved 58 (2019 66), Y14 34 (2019 45) and WD 19 (2019 83).

Maintenance and overhauls (steam) – *Wissington's* 'bottom-end' overhaul continued at slow pace pending removal of the boiler for assessment and preliminary works just before the year end. The B12, WD and Y14 all had various maintenance works undertaken, the WD receiving a newly cast blast pipe. Some preliminary assessment work for overhaul was undertaken on *Ring Haw*.

Class 31 D5631 remained in works throughout the year for works to completion. These were nearly achieved by year end such that loaded test running has subsequently taken place.

Overhaul works started on the Grove-Allen crane, concentrating initially on the outriggers and rams. New hydraulic hoses will need to be fitted and re-painting has progressed when resources allowed.

Legacies - Three legacies totalling £76,130 were received for the year. None came with directions for spending.

REPORT OF THE BOARD OF TRUSTEES – Continued

Financial Review

The results for the year are set out in the attached financial statements from page 11 onwards. Total incoming resources amounted to £276,515 (2020 £1,319,546) which, after total expenditure of £265,368 (2020 £233,590) and unrealised investment gains of £31,626 (2020 £11,529), resulted in net income before transfers of £42,773 (2020 £1,097,485). At the end of the period, the Society had net assets of £2,931,174 (2020 £2,888,401).

General Fund is the sole purely unrestricted fund. The income amounted to £153,996 with expenditure of £83,943 and net transfers to/from other funds of £100,250 (see note 19). Members' subscriptions raised £56,810 (including Gift Aid) to meet the Society running costs of £62,981, including *Joint Line*, asset insurance, premises, equipment, storage, administration and governance. Weybourne shop contributed £1,648 gross margin from sales of purchased goods. Donations (including Gift Aid), bequests, museum entry fees, interest received, and sundry income produced £89,144.

Designated funds have purposes determined by the Board, but these could be changed if considered appropriate. Because of this, they are classified as unrestricted in the Statement of Financial Activities and on the Balance Sheet. Details of these funds, their income and expenditure, balances and purposes are shown in note 20.

Restricted funds are for specific purposes enabling donors, who provide the majority of the income, to direct their donations to the funds in the knowledge they will only be spent on the specified purpose. Details of these funds are shown in note 21. The majority of funds are for locomotives and carriages and wagons restoration and maintenance but also a museum operating fund (which receives visitors' donations), a fund for developing Holt Goods Yard (also receives donations), a fund for the Heritage Lottery funded carriage sheds (the expense being the depreciation of the sheds' costs) and a fund for small grants (which receives donations).

Endowment Fund holds no cash and represents the acquisition values of NNR shares and heritage assets.

All funds maintained positive balances at 31 January 2021 (2020 all positive).

Reserves Policy and Going Concern

The Board of Trustees is aware of the need to maintain as a minimum sufficient unrestricted free reserves to meet ongoing direct and administrative expenditure for a period of at least 12 months. At 31 January 2021 the balance on General Fund is £291,051 of which approximately £197,000 is represented by free reserves. This is more than adequate for the Society's average annual running costs referred to above and so the Board considers its minimum free reserves policy is being achieved and the Society is a going concern.

However, the Board is also aware of the need to generate additional unrestricted free reserves to help meet the costs of specific restoration and ongoing maintenance projects when there are insufficient specific funds. General Fund has provided funds towards steam loco overhaul costs in previous years and the Class 31's £48,081 costs to date of its steam heating facilities. In 2020-21 it funded the acquisition of the Class 101 DMU and mobile crane and maintenance of the crane, Class O8 shunter and Austin lorry at £118,169.

Investment Policy

Cash which may be required at short notice is held in current and deposit accounts with the Society's banks except for that not required in the immediate short term which is deposited with CCLA Investment Management Ltd in its COIF Charity Funds. The Board considers this to be the most suitable place to safeguard such funds. However, with the receipt of the large legacy in 2019-20, the trustees reviewed the policy for market investments and sought appropriate investment advice. The new policy was adopted by the Board in their meeting on 21 September 2019.

REPORT OF THE BOARD OF TRUSTEES – Continued

Financial Review (continued)

Investment Policy (continued)

In formulating the policy, the Board had regard to the guidance given by the Charity Commission. A summary of the policy is as follows:

- Objectives - A target annual investment return of not less than 2% above the annual rate of inflation;
- Risk - Cautious, return as above and at least 60% of funds in assets with low to medium risk attached, diversified by asset class and fund manager with not more than 35% of funds invested in a single investment;
- Timeline - Not expected to liquidate in the short term, say less than three years; and
- Management of Investments - An Investment Committee comprising three Trustees to give instructions to investment/fund managers, monitor the investments' performance and report to the Board.

Other investment is in NNR shares and bonds which are explained elsewhere in this report.

Future Developments

The Society has a 5-year Strategic Plan which is reviewed and updated annually by the Board of Trustees. It is due to be reviewed in November 2021, which will again consider the effects of COVID-19 and the recovery therefrom on the Society's operations and activities at the time and to the end of the plan in 2023.

Post Balance Sheet Events

At the end of the financial year, it was just over a month into the COVID-19 third Lockdown which had closed the railway prematurely just before Christmas with the loss of the extended Norfolk Lights Express services in the first half of January 2021. However, the railway would normally be closed then until February half term, followed by March weekends and then daily services from April (Easter this year). The Society would normally expect to earn steaming fees in those periods and Weybourne shop and the WMM would be open. The railway remained closed throughout.

However, HM Government's 'Roadmap' for spring and summer provided some hope for a gradual resumption of business activity and release from movement restrictions on the population. The railway reopened with a one-train service on 12 April 2021 and the plans to move to a two-train service as from 17 May 2021 with the full reopening of Weybourne and Holt stations did happen. The Society has earned steaming fees from 12 April 2021 and was hoping to resume business in its Weybourne shop and WMM soon. Some special events are planned on the railway later in the year which should boost both NNR and Society income.

All of the above is subject to HM Government's assessments at the various stages of its 'Roadmap' and of the prevalence of COVID-19. It is to be hoped that the extensive vaccination programme coupled with precautionary behaviour will allow the return to normal business activity and population movement and participation.

The above are positives for the future and do not have any impact on the reported income, expenditure, assets, liabilities and funds, which are fairly described and stated as at 31 January 2021. The Board consider the accounts for this reporting period do show a true and fair view.

REPORT OF THE BOARD OF TRUSTEES – Continued

Structure, Governance and Management

Governing Document and Constitution

Midland and Great Northern Joint Railway Society ('the Society') is a charitable company limited by guarantee, incorporated on 17 April 1997 and registered as a charity on 30 July 1997. The company was incorporated under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Each principal member of the Society is, therefore, a member of the company and has a right to attend and vote at company general meetings. In the event of the company being wound up each member undertakes to contribute an amount not exceeding £1

Recruitment and Appointment to Board of Trustees

Under the company's Memorandum and Articles, the directors are known as members of the Council of Management or Governing Body. The 2012 Strategy Plan introduced the designation Board of Trustees. The articles require all Board members to be members of the company. The Board has power to appoint any person to be a member of the Board and any member (of the Board) so appointed may hold office until the following Annual General Meeting and shall then be eligible for re-election. Members of the Board aged 70 or over are subject to annual re-election. Apart from these and those retiring by choice, one-third of the Board is subject to re-election on an annual basis.

The Board of Trustees is always mindful of the need to maintain skills, knowledge and commitment on the Board and is alert to potential new candidates. When suitable candidates become available, their attributes are considered and where appointment is appropriate and desirable, a vote is taken by the Board. Most candidates are generally already known and have usually held a volunteer role before being elected

Organisational Structure and Decision Making

The Board of Trustees manages the Society. Board members are elected for their knowledge and/or expertise and each has specific unpaid executive responsibilities. The Board meets at least 6 times a year. In between meetings, matters requiring the Board's authorisation are dealt with by email and/or telephone and then ratified and minuted at its next meeting. Board members have responsibilities for projects and activities and have decision-making and spending authorities within parameters and budgets approved by the Board.

As the Society is entirely voluntarily run, it has no Chief Executive Officer, but the Chairman, Vice-Chairman, Treasurer, Society Secretary and Company Secretary are regarded as senior staff and comprise an informal Executive Board to deal with relevant matters as required.

Risk Management

The Society's policy when carrying out a project is that there must be sufficient expectation that it will be able to meet all costs from existing funds or new donations, appeals and/or grant applications. No project is allowed to proceed without the Board of Trustees being reasonably satisfied that suitable funds can be or have been raised. The Board also requires regular written reports on progress and ongoing funding of projects.

The Society uses the operations of the NNR as a venue for public exhibition of its assets and provision of facilities for restoration and storage. The Board feels that the level of involvement and general co-operation between the two organisations has justified its investment and reduced the risk of commercial failure.

The Board is responsible for safeguarding the Society's assets and so ensures that relevant levels of insurance cover are provided where appropriate. The trend has been and will continue to be one of increasing cost and the Society jointly insures its risks with the NNR to ensure that there are no gaps or duplication in cover across the two organisations. The cover held by the Society is reviewed annually and approved by the Board.

REPORT OF THE BOARD OF TRUSTEES – Continued

Structure, Governance and Management (continued)

Risk Management (continued)

Wherever possible, liability for the protection of Society assets is passed to users and borrowers of assets under formal running/display agreements.

The Society strongly encouraged the formal locomotive inspection documentation, schedules and examinations introduced on the NNR (mainline standard A, B and C exams) in order to help safeguard the condition of its operational locomotives.

The Board is aware of the membership's ageing profile and seeks to involve younger members at Board level and in restoration projects to help deliver a secure membership base for the future.

The Board considers from time to time the major risks to which the Society may be exposed and where possible takes action or introduces procedures to mitigate those risks. The situation is kept under review.

Relationships with related parties

Under the terms of the Society's Memorandum of Association, it has the power to subscribe for shares, stocks, debentures or other securities of any other company, enabling it to invest monies not immediately required for furtherance of its objects in such investments, securities or property as the Board may consider fit.

Shares have been subscribed for in the NNR, which is not a charity, as part of the strategic alliance between the two organisations. The Society, which is the major shareholder, is able to appoint up to three Board members to the NNR Board and has other members on strategic committees which helps to strengthen the partnership. This investment has been made purely for the purpose of assisting that company to enhance facilities and equipment, creating a more secure and appropriate base for the Society's assets and a venue to enable the Society to exhibit its assets to the public. No financial return is anticipated as the NNR does not have authority under its Articles of Association to pay dividends. However, investments in NNR Bonds in February 2014, January 2017 and March 2020 for a similar purpose do earn interest.

The Society continues to support by other means, e.g. grants, specific heritage projects undertaken by the NNR which, in the opinion of the Board of Trustees, are in line with the Society's charitable activities and objectives.

The Society and NNR are related parties and details of transactions etc. are shown in note 16 to the accounts.

The current method of 'investment' provides the following non-monetary benefits:

- influence at the NNR Board level through involvement of our nominated representatives;
- improved relationships between the two organisations, enabling them to progress the same strategic aim of developing the railway between Sheringham and Holt as a live working heritage museum; and
- the Society's continued use of NNR's facilities for storage, restoration and maintenance of its assets.

Over time, the investment has aided the provision of a permanent home for the Society's other equipment, artefacts, documents and records, enabling more of these to be publicly exhibited than had previously been possible due to the lack of adequate display facilities. Thus, the investment continues to be particularly relevant to the Society in meeting its charitable aims although without any dividend or distribution return.

The Society also owns 100% of the issued capital in Midland & Great Northern Heritage Ltd, which was set up as a wholly owned subsidiary for non-charitable trading activities. At the date of publication of the financial statements the company was not trading.

REPORT OF THE BOARD OF TRUSTEES – Continued

Fundraising Activities

Society Trustees are legally responsible for the Society's fundraising activities and are committed to comply fully with the Charity Commission guidance CC20 on the duty of Trustees to have oversight of fundraising practices.

Society members are encouraged to donate to Society funds through articles and advertisements in *Joint Line*. Members of the public travelling on the NNR are invited through leaflets displayed there to become Society members or to contribute to the various funds which support our heritage assets and charitable activities. The Society website, through which our eBay shop operates, also details ways in which supporters can raise funds for the Society by using easyfundraising when they shop online with various retail sites. The Society does not cold call or make public or static collections and has not used the services of a professional fundraiser or commercial participator during the year. All funds raised are used to enable the Society to undertake activities in pursuit of its charitable objectives, and if given for a restricted purpose recorded as such and only used for that purpose.

All fundraising activity by the Society is monitored by the Trustees, who are not aware of any failure to comply with the Fundraising Code of Practice. No complaints about our fundraising were received during the year.

Responsibilities of the Board of Trustees

Company and charity law requires the Board of Trustees to prepare financial statements for each financial year. Under that law the Board has elected to prepare the financial statements in accordance with Generally Accepted Accounting Practice in the UK and Republic of Ireland and applicable law. The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of the incoming resources and application of resources, including income and expenditure, of the charitable company for the financial year. In preparing those financial statements, the Board is required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the current Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Board of Trustees is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Board is 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. Finally, the Board is responsible for the maintenance and integrity of the corporate and financial information included on the Society's website.

REPORT OF THE BOARD OF TRUSTEES – Continued

Members of the Board of Trustees

Members of the Board of Trustees, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year to 31 January 2021 were:

N Sharpe	Chairman	P W Mayne
K R Ashford		M Northway (resigned 7 January 2021)
A M Barrs	Vice Chairman	N A Scarlett
A E Dewey	Treasurer & Company Secretary	R H Spicker Society Secretary
D C Greeno		G Wigglesworth

Pursuant to Article 37, A E Dewey, D C Greeno and P W Mayne, being age 70 or over at the forthcoming Annual General Meeting, are subject to annual re-election. All three Trustees offer themselves for re-election at that meeting.

Pursuant to Articles 36 and 38 one-third of the remaining directors, A M Barrs and R H Spicker, retire and being eligible offer themselves for re-election at the forthcoming Annual General Meeting.

As at 31 January 2021 N Sharpe, A M Barrs and A E Dewey represented the Society on the NNR Board.

The Society insures against risks to its assets and the various aspects of its activities by way of joint policies with the NNR. These include directors, officers and trustees' liability, including professional indemnity, cover and the estimated indemnity premium for Society board members is £125 (2020 £115), being a proportion of the total premium £1,140 (2020 £1,036).

Independent Examiner / Auditors

Peters, Elworthy & Moore were appointed Auditors/Independent Examiner at the 2020 Annual General Meeting and the Board of Trustees has elected to dispense with an audit for these financial statements.

Exemption Statement

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 applicable to smaller companies subject to the small company regime.

N Sharpe
Chairman

22 May 2021

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

	Note	Unrestricted funds £	Restricted funds £	Endowment fund £	2021 Total £	As Restated 2020 Total £
Income and endowments from:						
Donations and legacies	3	83,645	26,187	-	109,832	1,059,157
Other trading activities	4	-	8,030	-	8,030	8,519
Investments & interest receivable	5	2,429	21,255	-	23,684	11,332
Charitable activities:						
Conservation activities	7	59,770	2,000	-	61,770	124,835
Education activities	8	2,005	-	-	2,005	2,163
Membership subscriptions	9	56,810	-	-	56,810	62,462
Primary purpose trading	10	8,107	6,277	-	14,384	51,078
Total income		<u>212,766</u>	<u>63,749</u>	<u>-</u>	<u>276,515</u>	<u>1,319,546</u>
Expenditure on:						
Raising funds	6	318	7,547	-	7,865	10,688
Charitable activities:						
Conservation activities	7	159,505	60,203	-	219,708	170,450
Education activities	8	5,149	1,351	-	6,500	5,890
Membership	9	24,679	-	-	24,679	29,944
Primary purpose trading	10	5,429	1,187	-	6,616	16,618
Total expenditure		<u>195,080</u>	<u>70,288</u>	<u>-</u>	<u>265,368</u>	<u>233,590</u>
Net income (expenditure) before investment gains		17,686	(6,539)	-	11,147	1,085,956
Net gains on investments	15	<u>-</u>	<u>31,626</u>	<u>-</u>	<u>31,626</u>	<u>11,529</u>
Net income before transfers	12	17,686	25,087	-	42,773	1,097,485
Transfers between funds	22	(126,890)	(33,360)	160,250	-	-
Net Movement in Funds		<u>(109,204)</u>	<u>(8,273)</u>	<u>160,250</u>	<u>42,773</u>	<u>1,097,485</u>
Total Funds brought forward		916,966	1,541,055	430,380	2,888,401	1,790,916
Total Funds carried forward	19	<u>807,762</u>	<u>1,532,782</u>	<u>590,630</u>	<u>2,931,174</u>	<u>2,888,401</u>

The Statement of Financial Activities includes all gains and losses recognised in the year. There has been a reallocation of income and expenditure to better reflect the activities of the Society, which has resulted in a restatement of the 2020 comparative figures to ensure comparability between the years, as detailed in notes 3 to 11 to the financial statements. The result for the 2020 financial year remains unchanged.

The notes on pages 14 to 30 form part of these financial statements.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
Company Limited by Guarantee Registered Number 03355411

BALANCE SHEET AS AT 31 JANUARY 2021

	Note	2021 £	2020 £
Fixed Assets			
Heritage assets	14	532,450	418,978
Tangible assets	14	398,284	406,557
Investments	15	1,227,602	1,199,637
Total fixed assets		2,158,336	2,025,172
Current Assets			
Stocks		70,393	58,441
Debtors	17	92,904	14,445
Cash at bank and in hand		619,210	797,899
Total current assets		782,507	870,785
Liabilities			
Creditors: Amounts falling due within one year	18	9,669	7,556
Net current assets		772,838	863,229
Total assets less current liabilities/net assets		2,931,174	2,888,401
Funds of the charity			
Endowment fund	22	590,630	430,380
Restricted income funds	21	1,532,782	1,541,055
Unrestricted funds	19	807,762	916,966
Total charity funds		2,931,174	2,888,401

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 (“the Act”) relating to small companies, and members have not required the company to obtain an audit for the period in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements, which have been prepared in accordance with the provisions applicable to companies subject to the small company regime.

The notes on pages 14 to 30 form part of these financial statements which comprise the Statement of Financial Activities (incorporating Income and Expenditure Account), Balance Sheet, Statement of Cash Flows and Notes thereto.

The financial statements were approved and authorised for issue by the Board of Trustees on 22 May 2021 and signed on its behalf by:

N Sharpe – Chairman

A E Dewey - Treasurer

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2021**

	Note	2021 Total £	£	As Restated 2020 Total £	£
Cash flows from operating activities					
Net cash (used in)/generated by operating activities	24		(34,932)		1,186,419
Cash flows from investing activities					
Dividends, interest and rent from investments	24	23,684		11,332	
Purchase of property, plant and equipment	14	(171,102)		(72,913)	
Proceeds from the disposal of listed investments	15	140,162		18,210	
Purchase of listed investments	15	(136,657)		(797,167)	
Purchase of unlisted investments	15	-		(100,000)	
Net cash used in investing activities			(143,913)		(940,538)
Change in cash and cash equivalents in the reporting period			(178,845)		245,881
Cash and cash equivalents at the beginning of the reporting period	25		812,537		566,656
Cash and cash equivalents at the end of the reporting period	25		633,692		812,537

The notes on pages 14 to 30 form part of these financial statements

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

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Charities SORP (FRS 102) (Second Edition – October 2019) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). The financial statements also comply with the requirements of sections 394 and 395 of the Companies Act 2006, and with the requirements of the Act relating to the financial statements in so far as applicable to the company.

During the year, there have been no discontinued activities or new activities acquired.

The financial statements are prepared in sterling, which is the functional currency of the Society. There are no recognised gains or losses other than those included in net income. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). Other than the unrealised gains on quoted assets, historical cost surpluses and deficits are as recorded in the Statement of Financial Activities.

Going concern

The Board has explained the scenario facing the Society (and NNR) at the close of the financial year in their report under the heading ‘Post Balance Sheet Events’ on page 6. The third COVID-19 Lockdown was in force causing services to be cancelled earlier than planned, whilst noting the railway is normally closed throughout January followed by a gradual build-up to every day running from April. There was hope from HM Government’s ‘Roadmap’ for re-opening in April and indeed this did happen on the 12 April 2021 with a one-train service. The NNR was able to open more fully on 17 May 2021 with a second train and more station facilities. Special events are being planned for later in the year. COVID-19 still presents risks to business activity, but the Government’s vaccination programme and precautionary social behaviour should reduce these. The NNR and Society are hopeful of a return to more normal activity and income streams, being steaming fees, shop sales and museum admissions for the Society.

The Board has assessed by means of budgets, forecasts and other information that the Society will have adequate reserves and cash twelve months from the date these accounts are approved to maintain the Society’s assets in operational condition. Accordingly, the Board continues to adopt the going concern basis of accounting in preparing these financial statements.

Group accounts

These are the separate financial statements of the company as it is entitled to the exemption under Section 398 of the Companies Act 2006 from the obligation to prepare group accounts.

Income

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

Subscriptions, donations etc., income from support clubs, shop and other sales, museum entry fees are recognised upon receipt. Locomotive steaming and rolling stock hire fees represent fees earned during the period exclusive of VAT.

Donation income is recognised when received or, before receipt if it becomes reasonably certain that the donation will be received and the value of the income can be reliably measured. Gift Aid reclaimed is included as received during the period and if claims have been lodged but not settled after the end of the period.

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

1. Accounting policies - continued

Income (continued)

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Interest represents income received from bank and COIF deposits (with the latter allocated to funds with average balances of at least £10,000 throughout the period), the NNR bond and the steam loco legacy investments. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank. Wholesale educational publishing sales are included at the point of invoicing.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Expenditure is included on an accruals basis, exclusive of any VAT, provided that has been or is expected to be recovered. Costs are allocated to expense headings on a direct cost basis.

Trading costs are those incurred on the Charity's shops and publications. Costs of generating funds comprise costs associated with running the support clubs.

Charitable activities are costs incurred on the Charity's conservation and education activities, including support costs and costs relating to the governance of the Charity apportioned to charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include central costs. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Tangible Fixed Assets (including Heritage Assets) and Depreciation

Purchased items are included at cost and donated items are included at no value or cost associated with acquisition. Individual items costing less than £1,000 are not generally capitalised, although exceptional Museum Collection items may be.

Restoration costs of heritage assets are not capitalised as the expense is intended to restore the items to original condition and not enhance or alter them. Steam locomotive boiler overhaul costs have been capitalised as components with effect from 1 February 2012.

Depreciation is only charged on these historic artefacts and items where the carrying value is considered to be greater than the residual value. For operational heritage assets and locomotive boilers, depreciation is provided at the rate of 10% straight line. Other items are depreciated on a straight-line basis as follows: storage facilities 10%, office equipment 33⅓%, shop equipment 10%, museum fittings and equipment 10% and carriage sheds 2%.

Annual impairment reviews of all tangible assets, except the Museum Collection, are carried out at the time of preparation of the financial statements and coinciding with the review of sums assured for insurance purposes.

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

1. Accounting policies - continued

Museum lease

The cost of the museum lease premium is being amortised over fifty years from August 2006 when the museum building first came into use. The lease actually runs for fifty years from 11 April 2008. The costs of museum tenant's improvements are being depreciated over twenty five years.

Investments

Investments are included at fair value except for those not listed on a recognised stock exchange and subsidiary undertakings/associates which are included at cost or par value.

Intangible Income

No income is recognised for donated services etc. unless any cost borne by the donor can be determined. No monetary value is placed on the services of volunteers unless a value can be determined such as in grant claims.

Fund Accounting

The Society's restricted funds relate to locomotives, rolling stock, museum and educational activities and grants for heritage projects. Restrictions arise when specified by the donor. Where the donor does not specify a particular fund, donations are included in unrestricted funds which are used in accordance with the charitable objects at the discretion of the Board of Trustees. This includes the designation of funds to specific projects, some of which may already be financed partly by restricted funds. Governance costs are charged to the general unrestricted fund. Endowment fund represents investments made by the Society under its Articles of Association, including in heritage assets.

Stock

Stock consists of relevant merchandise for sale and exceptional quantities or items of materials or spares for restoration projects and maintenance which have been purchased to secure special items or to gain a price advantage. All stock has been valued at the lower of cost and net realisable value.

In-house produced educational publications are not valued for stock purposes at the end of the year of publication or subsequently as they are considered as 'back issues' with less sales potential.

Donated items for sale are not valued upon receipt or at the year-end due to the large volume of items received and which would be onerous to count and value with limited volunteer resources and in any case most sell fairly quickly and it is considered that the aggregate value at selling price remains reasonably constant.

Cash at bank and in hand

Cash at bank and cash 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.

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.

Financial instruments

The society only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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

2. Status

The Society has no share capital, being a company limited by guarantee incorporated in England and Wales and is a registered charity. Each member in the event of a winding up guarantees to contribute a sum not exceeding £1. Midland and Great Northern Joint Railway Society meets the definition of a public benefit entity under FRS 102.

3. Income from donations and legacies

	2021			2020		
	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
	£	£	£	£	£	£
Donations	7,515	26,187	33,702	3,419	43,832	47,251
Legacies	<u>76,130</u>	<u>-</u>	<u>76,130</u>	<u>285</u>	<u>1,011,621</u>	<u>1,011,906</u>
	<u>83,645</u>	<u>26,187</u>	<u>109,832</u>	<u>3,704</u>	<u>1,055,453</u>	<u>1,059,157</u>

4. Other trading activities

	2021			2020		
	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
	£	£	£	£	£	£
Locomotive support clubs	<u>-</u>	<u>8,030</u>	<u>8,030</u>	<u>-</u>	<u>8,519</u>	<u>8,519</u>

5. Investments & interest receivable

	2021			2020		
	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
	£	£	£	£	£	£
UK quoted investments	-	13,019	13,019	-	1,488	1,488
UK unquoted investments	-	8,014	8,014	-	4,759	4,759
Bank interest	<u>2,429</u>	<u>222</u>	<u>2,651</u>	<u>3,378</u>	<u>1,707</u>	<u>5,085</u>
	<u>2,429</u>	<u>21,255</u>	<u>23,684</u>	<u>3,378</u>	<u>7,954</u>	<u>11,332</u>

6. Expenditure on raising funds

	2021			2020		
	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
Expenditure						
Locomotive support clubs	-	2,362	2,362	-	3,201	3,201
Marketing	285	-	285	738	-	738
Investment management charges	-	5,185	5,185	-	6,622	6,622
Support costs (note 11)	<u>33</u>	<u>-</u>	<u>33</u>	<u>127</u>	<u>-</u>	<u>127</u>
	<u>318</u>	<u>7,547</u>	<u>7,865</u>	<u>865</u>	<u>9,823</u>	<u>10,688</u>

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

7. Conservation activities

	Unrestricted funds £	Restricted funds £	2021 Total funds £	Unrestricted funds £	Restricted funds £	2020 Total funds £
Income						
Locomotive & rolling stock hire fees	58,770	2,000	60,770	121,835	2,000	123,835
Premises licence fee	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
	<u>59,770</u>	<u>2,000</u>	<u>61,770</u>	<u>122,835</u>	<u>2,000</u>	<u>124,835</u>
Expenditure						
Maintenance & operation	72,635	16,638	89,273	8,709	58,326	67,035
Restoration costs	-	35,499	35,499	-	11,092	11,092
Grant paid	-	-	-	2,000	8,000	10,000
Insurance	15,592	-	15,592	6,943	-	6,943
Equipment & storage	1,100	198	1,298	1,100	183	1,283
Depreciation	53,720	7,868	61,588	53,720	7,868	61,588
Support costs (note 11)	<u>16,458</u>	<u>-</u>	<u>16,458</u>	<u>12,509</u>	<u>-</u>	<u>12,509</u>
	<u>159,505</u>	<u>60,203</u>	<u>219,708</u>	<u>84,981</u>	<u>85,469</u>	<u>170,450</u>
Net income/(expenditure)	<u>(99,735)</u>	<u>(58,203)</u>	<u>(157,938)</u>	<u>37,854</u>	<u>(83,469)</u>	<u>(45,615)</u>

8. Education activities

	Unrestricted funds £	Restricted funds £	2021 Total funds £	Unrestricted funds £	Restricted funds £	2020 Total funds £
Income						
Museum entry fees	<u>2,005</u>	<u>-</u>	<u>2,005</u>	<u>2,163</u>	<u>-</u>	<u>2,163</u>
	<u>2,005</u>	<u>-</u>	<u>2,005</u>	<u>2,163</u>	<u>-</u>	<u>2,163</u>
Expenditure						
Equipment & storage	2,000	325	2,325	2,000	137	2,137
Subscriptions & donations	-	146	146	-	186	186
Depreciation	2,618	880	3,498	2,560	220	2,780
Support costs (note 11)	<u>531</u>	<u>-</u>	<u>531</u>	<u>787</u>	<u>-</u>	<u>787</u>
	<u>5,149</u>	<u>1,351</u>	<u>6,500</u>	<u>5,347</u>	<u>543</u>	<u>5,890</u>
Net expenditure	<u>(3,144)</u>	<u>(1,351)</u>	<u>(4,495)</u>	<u>(3,184)</u>	<u>(543)</u>	<u>(3,727)</u>

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

9. Membership

	Unrestricted funds £	Restricted funds £	2021 Total funds £	Unrestricted funds £	Restricted funds £	2020 Total funds £
Income						
Membership fees	<u>56,810</u>	-	<u>56,810</u>	<u>62,462</u>	-	<u>62,462</u>
	<u>56,810</u>	-	<u>56,810</u>	<u>62,462</u>	-	<u>62,462</u>
Expenditure						
Joint Line publishing	16,793	-	16,793	19,610	-	19,610
Administration	5,340	-	5,340	5,926	-	5,926
Support costs (note 11)	<u>2,546</u>	-	<u>2,546</u>	<u>4,408</u>	-	<u>4,408</u>
	<u>24,679</u>	-	<u>24,679</u>	<u>29,944</u>	-	<u>29,944</u>
Net income	<u>32,131</u>	-	<u>32,131</u>	<u>32,518</u>	-	<u>32,518</u>

10. Primary purpose trading

	Unrestricted funds £	Restricted funds £	2021 Total funds £	Unrestricted funds £	Restricted funds £	2020 Total funds £
Income						
Shop & publishing sales	<u>8,107</u>	<u>6,277</u>	<u>14,384</u>	<u>22,779</u>	<u>28,299</u>	<u>51,078</u>
	<u>8,107</u>	<u>6,277</u>	<u>14,384</u>	<u>22,779</u>	<u>28,299</u>	<u>51,078</u>
Expenditure						
Cost of goods sold	4,296	1,187	5,483	12,980	1,388	14,368
Equipment & storage	359	-	359	8	-	8
Depreciation	214	-	214	-	-	-
Support costs (note 11)	<u>560</u>	-	<u>560</u>	<u>2,242</u>	-	<u>2,242</u>
	<u>5,429</u>	<u>1,187</u>	<u>6,616</u>	<u>15,230</u>	<u>1,388</u>	<u>16,618</u>
Net income	<u>2,678</u>	<u>5,090</u>	<u>7,768</u>	<u>7,549</u>	<u>26,911</u>	<u>34,460</u>

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

11. Support costs

	2021	2020
	Total expenditure	Total expenditure
Expenditure		
Office rent & charges	9,273	9,020
Bank & credit card charges	1,038	1,401
Subscriptions & donations	66	60
Office equipment depreciation	603	429
Governance	8,606	8,845
Miscellaneous expenditure	<u>542</u>	<u>318</u>
	<u>20,128</u>	<u>20,073</u>
Allocated to		
Expenditure on raising funds (note 6)	33	127
Conservation activities (note 7)	16,458	12,509
Education activities (note 8)	531	787
Membership (note 9)	2,546	4,408
Primary purpose trading (note 10)	<u>560</u>	<u>2,242</u>
	<u>20,128</u>	<u>20,073</u>

Support costs are allocated to expenditure on the same ratio as the direct costs associated with the relevant area of activity.

12. Net income before transfers

This is stated after charging/crediting:

	2021	2020
	£	£
Depreciation	65,903	64,798
Independent Examiner's remuneration	2,750	-
Auditor's Remuneration	-	5,000
Expenses reimbursed to Board Members	1,571	2,570
Operating lease rentals	9,100	9,100

13. Staff costs, trustee remuneration and expenses

The Society has no employees. Apart from K R Ashford who is full-time Chief Mechanical Engineer of the NNR, none of the trustees have been paid any remuneration or received any other benefits from employment by the Society or a related entity.

Expenses reimbursed to board members relate to supplies of materials, spare parts and fuel used in the restoration and operation of heritage assets, shop merchandise and other supplies and sundry administration. In all cases the suppliers are those with which the Society does not have credit accounts. The number of trustees reimbursed expenses was 6 (2020 - 4).

Trustees and members of their families make unconditional donations to the Society, either by way of regular monthly payments or occasional lump sums to support projects and public appeals. The aggregate total of such specifically identified donations from trustees and related parties in 2020-21 was £588 (2019-20 £420). There may have been additional unidentified donations placed in collecting boxes located at the Society's shop and museum.

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

14. Tangible Fixed Assets

	Collection Assets	Locomotive Boilers	Heritage Assets Total	Leasehold Buildings	Fixtures, Fittings & Equipment	Tangible Assets Total	Total
	£	£	£	£	£	£	£
Cost at start of year	466,867	480,704	947,571	520,403	43,496	563,899	1,511,470
Additions in year	160,250	5,766	166,016	-	5,086	5,086	171,102
Disposals during year	-	-	-	-	-	-	-
Cost at end of year	627,117	486,470	1,113,587	520,403	48,582	568,985	1,682,572
Depreciation at start of year	300,000	228,593	528,593	124,480	32,862	157,342	685,935
Charge for year	-	52,544	52,544	10,923	2,436	13,359	65,903
Disposals during year	-	-	-	-	-	-	-
Depreciation at end of year	300,000	281,137	581,137	135,403	35,298	170,701	751,838
Net book value at end of year	327,117	205,333	532,450	385,000	13,284	398,284	930,734
Net book value at start of year	166,867	252,111	418,978	395,923	10,634	406,557	825,535

Collection assets (and their cost/net book value) comprise historical locomotives (£459,555/£159,555), a diesel multiple unit (£100,000/£100,000), carriages and wagons (£51,732/£51,732), a road vehicle (£9,739/£9,739) and artefacts/collections (£6,091/£6,091) held for preservation and educational purposes. Locomotives and some carriages and wagons are included at cost of acquisition; no value is included for donated items as this is usually not available. The ages range from about 50 to 130 years. Locomotives and some other rolling stock are operational subject to completion of restoration or overhaul; the remainder is for static or museum display. Locomotive boilers are components related to the historical locomotives.

Summary Analysis of Heritage Asset Transactions

	2021	2020	2019	2018	2017
	£	£	£	£	£
Purchases & capitalisation:					
Locomotives	60,000	-	35,000	-	-
Diesel multiple unit	100,000	-	-	-	-
Carriages and wagons	-	-	35,000	-	-
Other collection items	250	1,674	1,417	-	1,806
Locomotive Boilers	5,766	47,332	-	13,850	29,168
Charge for depreciation:					
Locomotives	-	-	-	-	-
Locomotive boilers	52,544	52,543	43,757	39,559	24,901
				-	-
Disposals carrying amounts:					
Carriages and wagons	-	-	10	-	-
Proceeds from disposals:					
Carriages and wagons	-	-	1,000	-	-

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

15. Investments

	2021	As Restated	2020
	£	£	£
Shares in North Norfolk Railway PLC	<u>263,513</u>		
Total Shares in Associate at cost		<u>263,513</u>	<u>263,513</u>
North Norfolk Railway PLC Bond Issue 4 (2020 -Issue 3)	30,000		30,000
Midland & Great Northern Heritage Limited	1,000		1,000
Zenzic Loan Note	<u>100,000</u>		<u>100,000</u>
Total Unquoted Investments at cost		<u>131,000</u>	<u>131,000</u>
Cazenove Charity NURS Fund	313,686		302,424
Prudential Assurance and LGT Vestra Fund	<u>519,403</u>		<u>502,700</u>
Total quoted investments at fair value		<u>833,089</u>	<u>805,124</u>
Total investments at cost or fair value		<u>1,227,602</u>	<u>1,199,637</u>

Movement in quoted fixed asset investments:

	2021	2020
	£	£
Fair value at beginning of the year	790,486	-
Additions at cost	136,657	797,167
Disposal proceeds	(140,162)	(18,210)
Realised gains (losses)	(794)	75
Disposals at opening fair value	(140,956)	(18,135)
Net unrealised investment gains	<u>32,420</u>	<u>11,454</u>
Fair value at end of the year	818,607	790,486
Cash held by investment managers for re-investment	14,482	14,638
Total quoted investments at fair value	<u>833,089</u>	<u>805,124</u>

Purchases of Ordinary Shares of £1 each in North Norfolk Railway PLC (NNR), an unlisted public company, have been at par. In addition, the Society has added to its shareholding by accepting gifts and bequests of shares from members and others and these are also included at par. At 31 January 2020 the total number of shares purchased was 214,090 and the total shareholding was 263,513. During the year no shares were purchased or gifted to the Society, so at 31 January 2021 the total number of shares purchased was 214,090 and the total shareholding including gifted shares was 263,513. The Society is the largest single shareholder owning approximately 31.9% (2020 34.2%) of the issued share capital.

The Society's approximately 31.9% (2020 34.2%) proportions of the share capital and profits of the NNR are:

	2021		2020	
	£	%	£	%
Share Capital	263,513	31.9	263,513	34.2
Profit and loss account	(75,617)	31.9	(30,411)	34.2
Net loss for the year	(47,250)	31.9	(36,087)	34.2

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

15. Investments - continued

The not-for-profit constitution of the NNR precludes payment of any dividend or distribution on the Society's investment. However, the benefits that derive from the investment are considerable and are noted throughout the Report of the Board of Trustees. These include access to covered accommodation and engineering facilities for restoration and storage, a secure and appropriate base for the Society's assets and a venue to exhibit them to the public either operationally or static in accordance with the charitable objectives. While it is difficult to quantify a monetary value for the benefits, the Board is of the opinion that the value of the investment at cost in these accounts is not in excess of the potential value of the future ongoing benefits so derived.

In February 2014 the Society invested £20,000 in NNR 'Bonds I' for a 3-year term of 6% compound interest accrued annually, with £3,820 received at maturity in February 2017. The nominal value of £20,000 was rolled over into a third Bond issue with an additional £10,000 new investment. The term was 3 years at 5% compound interest with £4,735 maturing in February 2020. As part of the Society's COVID-19 support package to the NNR, this sum has been left outstanding at 1% interest with repayment to be reviewed in 2021. In March 2020 the nominal value of £30,000 was rolled over into a fourth bond issue for a 3-year term of 5% compound interest accruing annually and maturing in February 2023.

The Society holds 1,000 ordinary £1 shares, being 100% of the issued and authorised share capital of Midland & Great Northern Heritage Limited (Company number 04009464). The company was set up to undertake non-charitable trading activities but is not currently trading.

The £100,000 Zenzic Loan note is an unquoted three-year fixed term property and property development bond guaranteeing a return of 8% per annum, interest paid six monthly, over the fixed term, maturing in June 2022.

Quoted investments consist of an initial £800,000 invested in three managed mixed funds, which are stated at market value as at 31 January 2021.

Valuation

Listed investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value). The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the Charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so their ability to buy and sell quoted equities and stock is anticipated to continue. The Charity investments are mainly traded in markets with good liquidity and high trading volumes. The Charity has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Charity does not make use of derivatives and similar complex financial instruments. Investments are held for their longer term yield and total return. Historic studies of quoted financial instruments have shown that short term volatility in any particular period will normally be corrected in the long-term.

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

16. Related Parties

The trustees are the legal directors of the charity and its subsidiary and they do consider themselves part of the day-to-day management and are therefore key management personnel. However, none of the trustees received any remuneration or benefits during the year.

As outlined in note 15, Midland and Great Northern Joint Railway Society is the largest shareholder of the NNR. The following trustees holding office at the year-end are also directors of the NNR:-

A Dewey
N Sharpe
A Barrs

During the year sales to NNR were £64,128 (2020 £120,019) and purchases from them £293,493 (2020 £50,472) including assets of £162,272 but excluding shares. At the year-end NNR owed the Society £nil (2020 £nil) and the Society owed NNR £nil (2020 £nil). The figures exclude VAT.

There are leases in place between the NNR and the Society in respect to its Museum Building and Carriage Sheds with provision for peppercorn ground rents payable by the Society to the NNR.

17. Debtors

	2021	2020
	£	£
Trade debtors	106	31
Prepayments and accrued income	91,427	14,401
Other debtors	1,371	13
	<u>92,904</u>	<u>14,445</u>

18. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade Creditors	5,809	439
Amounts owed to group and associated undertakings	802	802
Accruals and deferred income	3,058	5,178
Taxation and social security	-	1,137
	<u>9,669</u>	<u>7,556</u>

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

19. Statement of Funds

Statement of Funds – Current year	Balance at beginning of year £	Income £	Expenditure £	Investment Gains £	Transfers £	Balance at end of year £
General Fund	321,248	153,996	(83,943)	-	(100,250)	291,051
Designated Funds – Note 20	595,718	58,770	(111,137)	-	(26,640)	516,711
Total Unrestricted Funds	<u>916,966</u>	<u>212,766</u>	<u>(195,080)</u>	<u>-</u>	<u>(126,890)</u>	<u>807,762</u>
Total Restricted Funds – Note 21	1,541,055	63,749	(70,288)	31,626	(33,360)	1,532,782
Total Endowment Funds – Note 22	430,380	-	-	-	160,250	590,630
	<u>2,888,401</u>	<u>276,515</u>	<u>(265,368)</u>	<u>31,626</u>	<u>-</u>	<u>2,931,174</u>

Statement of Funds – Prior year	Balance at beginning of year £	Income £	Expenditure £	Investment Gains £	Transfers £	Balance at end of year £
General Fund	310,451	94,807	(74,836)	-	(9,174)	321,248
Designated Funds – Note 20	533,293	122,515	(61,531)	-	1,441	595,718
Total Unrestricted Funds	<u>843,744</u>	<u>217,322</u>	<u>(136,367)</u>	<u>-</u>	<u>(7,733)</u>	<u>916,966</u>
Total Restricted Funds – Note 21 – As Restated	518,466	1,102,224	(97,223)	11,529	6,059	1,541,055
Total Endowment Funds – Note 22	428,706	-	-	-	1,674	430,380
	<u>1,790,916</u>	<u>1,319,546</u>	<u>(233,590)</u>	<u>11,529</u>	<u>-</u>	<u>2,888,401</u>

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

20. Designated Funds

Current year	Balance at beginning of year £	Income £	Expenditure £	Transfers £	Balance at end of year £
'Loco Pot'	501,434	58,770	(109,137)	(5,356)	445,711
Locomotive Boilers	21,284	-	-	(21,284)	-
Operation Phoenix	73,000	-	(2,000)	-	71,000
	<u>595,718</u>	<u>58,770</u>	<u>(111,137)</u>	<u>(26,640)</u>	<u>516,711</u>
Prior year	Balance at beginning of year £	Income £	Expenditure £	Transfers £	Balance at end of year £
'Loco Pot'	415,725	122,515	(59,531)	22,725	501,434
Locomotive Boilers	42,568	-	-	(21,284)	21,284
Operation Phoenix	75,000	-	(2,000)	-	73,000
	<u>533,293</u>	<u>122,515</u>	<u>(61,531)</u>	<u>1,441</u>	<u>595,718</u>

The Trustees have established a steam locomotive fund ('Loco Pot') which receives the steaming fees of the B12, J15/Y14 and WD when operational. This fund helps defray the costs of repairs and major overhauls of the locomotives with back-up funding from other steam locomotive funds and support clubs as required. With the new Steam Loco Legacy fund available for this purpose, the Society is well funded for repairs and major overhauls of its locomotives. At the board meeting on 18 July 2020, the trustees approved the widening of the fund's remit to include *Ring Haw*, *Wissington*, the Class O8 and the Class 101 DMU.

Locomotive Boilers fund was established from 2012-13 as part of the steam locomotive boiler capitalisation policy. The fund represented at 1 February 2012 £141,891 raised by B12 clubs' members and other donors specifically for the boiler overhaul which cost £143,101. The fund has been reduced in line with the depreciation of that cost and as at 31 January 2021 it was fully dispensed.

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

21. Restricted Funds

Current year	Balance at beginning of year	Income	Expenditure	Investment Gains	Transfers	Balance at end of year
	£	£	£	£	£	£
Loco Club (all locos)	81,473	15,731	-	-	(26,960)	70,244
J15	5,446	4,193	(1,381)	-	(3,000)	5,258
B12	4,940	3,723	(981)	-	(2,500)	5,182
WD	4,900	1,170	-	-	(2,900)	3,170
<i>Wissington</i>	11,433	510	(9,069)	-	-	2,874
Ring Haw	-	125	-	-	-	125
Steam Loco Legacy	1,023,437	21,216	(5,657)	31,626	-	1,070,622
31 Fund (Class 31)	3,386	444	(5,028)	-	2,000	802
Diesel Club	2,732	1,470	-	-	-	4,202
Heritage Coach Fund	34,404	14,664	(38,588)	-	-	10,480
Quad Art Set	2,467	-	-	-	-	2,467
Museum	38,454	173	(836)	-	-	37,791
Museum Improvements	21,790	-	(880)	-	-	20,910
Holt Development	4,179	330	-	-	-	4,509
Carriage Sheds	298,946	-	(7,868)	-	-	291,078
Society Grants	3,068	-	-	-	-	3,068
	<u>1,541,055</u>	<u>63,749</u>	<u>(70,288)</u>	<u>31,626</u>	<u>(33,360)</u>	<u>1,532,782</u>
Prior year As Restated	Balance at beginning of year	Income	Expenditure	Investment Gains	Transfers	Balance at end of year
	£	£	£	£	£	£
Loco Club (all locos)	63,476	18,255	(258)	-	-	81,473
J15	4,079	4,146	(1,338)	-	(1,441)	5,446
B12	2,154	4,103	(1,317)	-	-	4,940
WD	3,705	1,195	-	-	-	4,900
<i>Wissington</i>	50,877	760	(40,204)	-	-	11,433
Steam Loco Legacy	-	1,018,530	(6,622)	11,529	-	1,023,437
31 Fund (Class 31)	5,218	6,875	(16,207)	-	7,500	3,386
Diesel Club	9,120	1,612	(8,000)	-	-	2,732
Heritage Coach Fund	18,632	28,926	(13,154)	-	-	34,404
Quad Art Set	2,410	57	-	-	-	2,467
Museum	45,064	5,435	(2,035)	-	(10,010)	38,454
Museum Improvements	-	12,000	(220)	-	10,010	21,790
Holt Development	3,849	330	-	-	-	4,179
Carriage Sheds	306,814	-	(7,868)	-	-	298,946
Society Grants	3,068	-	-	-	-	3,068
	<u>518,466</u>	<u>1,102,224</u>	<u>(97,223)</u>	<u>11,529</u>	<u>6,059</u>	<u>1,541,055</u>

The income of the funds relates to donations, other contributions, shop retail and donated sales, investment income, bank interest, and designated by the Trustees, Heritage Coach Fund rolling stock hire of £2,000.

At 31 January 2021 the Loco Club fund balance of £70,244 is attributable as follows: General (all locos) £26,991, J15 £3,257, B12 £1,840, W1500 £31,400, WD £3,280, *Wissington* £3,120 and Class 31 £356. The transfers of £26,960 are to 'Loco Pot' towards repairs and maintenance costs of all locomotives which the club supports.

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

21. Restricted Funds - continued

A new support fund was established during the year for *Ring Haw*. As with other such funds it will receive donations etc directed specifically for this locomotive towards maintenance and overhaul costs.

22. Endowment Fund and transfers between funds

Endowment Fund – This is not a cash fund. All heritage assets are represented in Endowment Fund, demonstrating the strategic permanency of the Society’s ownership as they are unlikely to be sold or otherwise disposed of except in exceptional circumstances. Similarly, the investment in NNR shares is represented in Endowment due to the permanent nature and purpose of these in the pursuit of the charitable objectives as explained in note 15 and throughout the Report of the Board of Trustees.

Heritage assets acquired in the year comprise *Ring Haw* costing £60,000 paid for by ‘Loco Pot’, Class 101 DMU costing £100,000 paid for by General Fund and a donated rail-mounted weighbridge costing £250 for transport paid for by General Fund.

Other Funds

The net transfers totalling £33,360 from restricted funds are to ‘Loco Pot’ as contributions towards repairs and maintenance.

The net transfers totalling £26,640 from designated funds represents the £60,000 purchase of Ring Haw less the £33,360 in from restricted funds. The £26,640 is reduced to £5,356 by £21,284 transfer into ‘Loco Pot’ from Locomotive Boilers, being the release of previous funding for the B12 boiler overhaul released over ten years in line with the annual £21,465 depreciation of the boiler costs. At 31 January 2021 the boiler depreciation has been fully charged and the funds fully released.

The General Funds net transfers out of £100,250 is to *Endowment Fund* in the second paragraph above.

23. Analysis of net assets between funds

	Designated Funds	General Fund	Restricted Funds	Endowment Fund	Total Funds
	£	£	£	£	£
Tangible fixed assets	228,251	63,378	311,988	327,117	930,734
Investments	-	31,000	933,089	263,513	1,227,602
Net Current Assets	288,460	196,673	287,705	-	772,838
	<u>516,711</u>	<u>291,051</u>	<u>1,532,782</u>	<u>590,630</u>	<u>2,931,174</u>

Prior year	Designated Funds	General Fund	Restricted Funds	Endowment Fund	Total Funds
	£	£	£	£	£
Tangible fixed assets	277,779	60,153	320,736	166,867	825,535
Investments	-	31,000	905,124	263,513	1,199,637
Net Current Assets	317,939	230,095	315,195	-	863,229
	<u>595,718</u>	<u>321,248</u>	<u>1,541,055</u>	<u>430,380</u>	<u>2,888,401</u>

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

24. Reconciliation of net income to net cash flow from operating activities

	2021	As Restated 2020
	£	£
Net income for the year (as per the statement of financial activities)	42,773	1,097,485
Depreciation charges	65,903	64,798
Gains on investments	(31,626)	(11,529)
Dividends, interest and rent from investments	(23,684)	(11,332)
Increase in stocks	(11,952)	(29)
(Increase)/decrease in debtors	(78,459)	47,584
Increase/(decrease) in creditors	2,113	(558)
	<u>(34,932)</u>	<u>1,186,419</u>

25. Analysis of cash and cash equivalents

	2021	As Restated 2020
	£	£
Cash at bank and in hand	619,210	797,899
Cash held by investment managers for re-investment	14,482	14,638
	<u>633,692</u>	<u>812,537</u>

26. Analysis of changes in net debt

	As Restated at 1 February 2020	Cash Flows	At 31 January 2021
	£		£
Cash and cash equivalents	812,537	(178,845)	633,692
	<u>812,537</u>	<u>(178,645)</u>	<u>633,692</u>

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

27. Contracts and Commitments

A contract for the supply, installation and commissioning of a steam heat boiler for Class 31 locomotive no. D5631 was entered into with King's Boiler Hire Ltd in October 2017 in the sum of £21,996. At 31 January 2021 £2,000 of the contract remained to be completed. It is planned for this work to be concluded by next winter. Small remedial works have continued but after the year end the locomotive made successful test runs which included under load and it is available for use. It awaits its place in the queue for final painting and lining-out.

A contract for the overhaul of the boiler of 0-6-0ST No. 1700 *Wissington* was entered into with the NNR in December 2020 in the sum of £23,240. The contract provided for a contingency sum of £5,000 to cover unforeseen boiler plate replacement or other repairs pending further assessment on dismantling.

In fact, in February 2021 such additional works were found to be required and £6,085 was added to the original contract, making a new total of £29,325. At 31 January 2021 £25,875 remained to be completed. There also remained about £1,000 of work to complete the previous contract for overhaul of the motion and frames.

A contract for the overhaul phase 2 of Grove Allen H4084 crane NOY 366L was entered into with the NNR in December 2020 in the sum of £13,296. Work started in February 2021.

At 31 January 2021 grants have been awarded or pledges made towards three projects being undertaken or planned to be undertaken on the North Norfolk Railway. The aggregate amount is £16,250 but payments will be dependent upon the projects being completed

28. Commitments under Operating Leases

At 31 January 2021 there were future minimum lease payments under non-cancellable operating leases for land and buildings as follows:

	2021	2020
	£	£
Not later than 1 year	9,100	9,100
Later than 1 year and not later than 5 years	26,650	35,650
Later than 5 years	100	100
	<u>35,850</u>	<u>44,850</u>

29. Post Balance Sheet Events

Post balance sheet events have already been covered in the Report of the Board of Trustees on page 6 and under going concern in note 1 of the notes to the financial statements on page 14. The events are relevant to a return to more normal activities and income without out of course expenditure and are, therefore, of a positive nature.

The Board has determined that these events do not impact on the financial position and results of operations as of and for the year ended 31 January 2021.

The Board also considers there are no other post balance sheet events that materially affect these financial statements.

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY FOR THE YEAR ENDED 31 JANUARY 2021

I report on the accounts of the Charity for the period ended 31 January 2021, which are set out on pages 11 to 30.

Responsibilities and basis of report

As the charity's trustees of the Company (who are also the directors of the company for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

Having satisfied myself that the accounts of the Company are not required to be audited for this year under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination, I have followed the Directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act).

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 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
- the accounts have not been prepared in accordance with the Charities SORP (FRS102).

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.

Mr M Hewett ACA DChA

Peters Elworthy and Moore
Salisbury House, Station Road
Cambridge CB1 2LA

14 June 2021