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# **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

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

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## MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

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### 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 164686 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.

## 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.

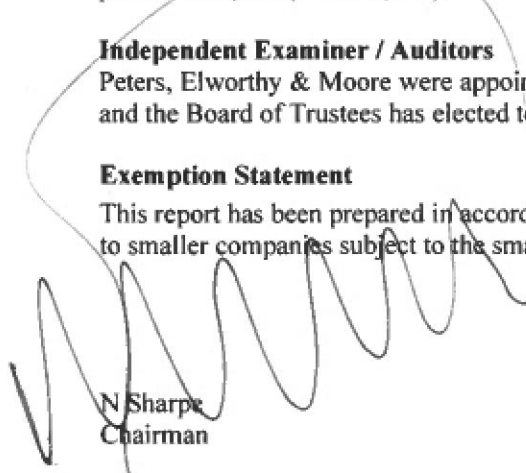
The Society insures against risks to its assets and the various aspects of its activities by way of joint policies with the NNR. These include directors, officers and trustees' liability, including professional indemnity, cover and the estimated indemnity premium for Society board members is £230 (2022 £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 £
<b>Income and endowments from:</b>						
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
<b>Total income</b>		<u>206,070</u>	<u>108,444</u>	<u>-</u>	<u>314,514</u>	<u>321,361</u>
<b>Expenditure on:</b>						
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
<b>Total expenditure</b>		<u>182,058</u>	<u>24,965</u>	<u>-</u>	<u>207,023</u>	<u>169,575</u>
<b>Net income before investment gains</b>		24,012	83,479	-	107,491	151,786
<b>Net (losses) gains on investments</b>	15	<u>-</u>	<u>(31,996)</u>	<u>-</u>	<u>(31,996)</u>	<u>20,474</u>
<b>Net income before transfers</b>	12	24,012	51,483	-	75,495	172,260
Transfers between funds	22	23,873	(37,873)	14,000	-	-
<b>Net Movement in Funds</b>		<u>47,885</u>	<u>13,610</u>	<u>14,000</u>	<u>75,495</u>	<u>172,260</u>
<b>Total Funds brought forward</b>		839,631	1,672,923	590,880	3,103,434	2,931,174
<b>Total Funds carried forward</b>	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**

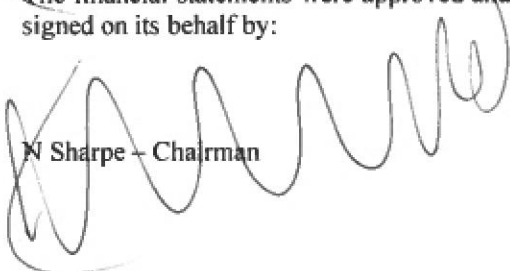
	Note	2023 £	2022 £
<b>Fixed Assets</b>			
Heritage assets	14	508,727	525,455
Tangible assets	14	372,390	385,179
Investments	15	1,208,876	1,244,746
Total fixed assets		2,089,993	2,155,380
<b>Current Assets</b>			
Stocks		95,953	69,353
Debtors	17	33,588	97,395
Cash at bank and in hand		973,274	795,281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

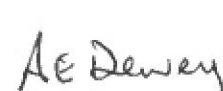
The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") relating to small companies, and members have not required the company to obtain an audit for the period in question in accordance 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 £	£
<b>Cash flows from operating activities</b>					
Net cash generated by operating activities	24		160,216		173,474
<b>Cash flows from investing activities</b>					
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)	
<b>Net cash from / (used) in investing activities</b>			18,230		(7,284)
<b>Change in cash and cash equivalents in the reporting period</b>			178,446		166,190
Cash and cash equivalents at the beginning of the reporting period	25		799,882		633,692
<b>Cash and cash equivalents at the end of the reporting period</b>	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	<u>-</u>	<u>7,971</u>	<u>7,971</u>	<u>-</u>	<u>7,986</u>	<u>7,986</u>

**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>-</u>	<u>56,476</u>	<u>54,425</u>	<u>-</u>	<u>54,425</u>
	<u>56,476</u>	<u>-</u>	<u>56,476</u>	<u>54,425</u>	<u>-</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>-</u>	<u>6,268</u>	<u>5,627</u>	<u>-</u>	<u>5,627</u>
	<u>54,257</u>	<u>-</u>	<u>54,257</u>	<u>41,924</u>	<u>-</u>	<u>41,924</u>
Net income	<u>2,219</u>	<u>-</u>	<u>2,219</u>	<u>12,501</u>	<u>-</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>-</u>	<u>889</u>	<u>1,814</u>	<u>-</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>

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**MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY**

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2023 continued****11. Support costs**

	<b>2023</b>	<b>2022</b>
	<b>Total expenditure</b>	<b>Total expenditure</b>
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:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
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	14,000	1,919	15,919	-	-	-	15,919
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	-	32,647	32,647	10,923	1,866	12,789	45,436
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.

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**MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY**

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**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**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
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**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
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>(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>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>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>(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>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**

<b>Current year</b>	<b>Balance at beginning of year £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers £</b>	<b>Balance at end of year £</b>
'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>

<b>Prior year</b>	<b>Balance at beginning of year £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers £</b>	<b>Balance at end of year £</b>
'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 31<sup>st</sup> 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**

<b>Current year</b>	<b>Balance at beginning of year</b>	<b>Income</b>	<b>Expenditure</b>	<b>Investment Losses</b>	<b>Transfers</b>	<b>Balance at end of year</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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>

<b>Prior year</b>	<b>Balance at beginning of year</b>	<b>Income</b>	<b>Expenditure</b>	<b>Investment Gains</b>	<b>Transfers</b>	<b>Balance at end of year</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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>

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**

	<b>Designated Funds</b>	<b>General Fund</b>	<b>Restricted Funds</b>	<b>Endowment Fund</b>	<b>Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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>

<b>Prior year</b>	<b>Designated Funds</b>	<b>General Fund</b>	<b>Restricted Funds</b>	<b>Endowment Fund</b>	<b>Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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**

	<b>2023 £</b>	<b>2022 £</b>
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**

	<b>2023 £</b>	<b>2022 £</b>
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.

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MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

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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*