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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 2024**

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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)

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

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### 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

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### 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

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### 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

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### 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

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### 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

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### 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.



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## MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

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### 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

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### 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

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### 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**

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### **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

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### 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.

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**MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY**

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**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.

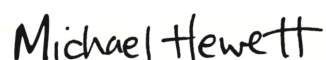
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**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 (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

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**MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY**


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

|  | Note | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Endowment<br>fund<br>£ | 2024<br>Total<br>£ | 2023<br>Total<br>£<br>As restated |
|--|------|----------------------------|--------------------------|------------------------|--------------------|-----------------------------------|
| <b>Income and endowments from:</b>                                 |      |                            |                          |                        |                    |                                   |
| 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                            |
| <b>Total income</b>  |      | <u>189,580</u>             | <u>391,421</u>           | <u>-</u>               | <u>581,001</u>     | <u>314,514</u>                    |
| <b>Expenditure on:</b>   |      |                            |                          |                        |                    |                                   |
| 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                             |
| <b>Total expenditure</b>   |      | <u>343,291</u>             | <u>106,659</u>           | <u>-</u>               | <u>449,950</u>     | <u>224,273</u>                    |
| <b>Net (expenditure) / income before investment gains / losses</b> |      | (153,711)                  | 284,762                  | -                      | 131,051            | 90,241                            |
| <b>Net gains (losses) on investments</b>                           | 15   | <u>-</u>                   | <u>11,237</u>            | <u>-</u>               | <u>11,237</u>      | <u>(31,996)</u>                   |
| <b>Net income before transfers</b>                                 | 12   | (153,711)                  | 295,999                  | -                      | 142,288            | 58,245                            |
| Transfers between funds  | 22   | 99,169                     | (164,869)                | 65,700                 | -                  | -                                 |
| <b>Net Movement in Funds</b>                                       |      | <u>(54,542)</u>            | <u>131,130</u>           | <u>65,700</u>          | <u>142,288</u>     | <u>58,245</u>                     |
| <b>Total Funds brought forward</b>                                 |      | 864,790                    | 1,675,759                | 604,880                | 3,145,429          | 3,087,184                         |
| <b>Total Funds carried forward</b>                                 | 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<br>£ | 2023<br>£<br>As restated |
|---|------|-----------|--------------------------|
| <b>Fixed Assets</b>                                     |      |           |                          |
| 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                |
| <b>Current Assets</b>                                   |      |           |                          |
| 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                |
| <b>Liabilities</b>                                      |      |           |                          |
| Creditors: Amounts falling due within one year          | 18   | 119,302   | 47,379                   |
| <b>Net current assets</b>                               |      | 1,150,901 | 1,055,436                |
| <b>Total assets less current liabilities/net assets</b> |      | 3,287,717 | 3,145,429                |
| <b>Funds of the charity</b>                             |      |           |                          |
| Endowment fund  | 22   | 670,580   | 604,880                  |
| Restricted income funds                                 | 21   | 1,806,889 | 1,675,759                |
| Unrestricted funds                                      | 19   | 810,248   | 864,790                  |
| <b>Total charity funds</b>                              |      | 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



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**MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY**


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

|   | Note | 2024<br>Total<br>£ | £         | 2023<br>Total<br>£ | £       |
|---|------|--------------------|-----------|--------------------|---------|
| <b>Cash flows from operating activities</b>                         |      |                    |           |                    |         |
| Net cash generated by operating activities                          | 24   |                    | 141,326   |                    | 160,216 |
| <b>Cash flows from investing activities</b>                         |      |                    |           |                    |         |
| 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)          |         |
|   |      |                    |           |                    |         |
| <b>Net cash from / (used in) from investing activities</b>          |      |                    | (36,606)  |                    | 18,230  |
|   |      |                    |           |                    |         |
| <b>Change in cash and cash equivalents in the reporting period</b>  |      |                    | 104,720   |                    | 178,446 |
|   |      |                    |           |                    |         |
| Cash and cash equivalents at the beginning of the reporting period  | 25   |                    | 978,328   |                    | 799,882 |
|   |      |                    |           |                    |         |
| <b>Cash and cash equivalents at the end of the reporting period</b> | 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

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### 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

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### 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

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### 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

|           | 2024               |                  |                | 2023               |                  |               |
|-----------|--------------------|------------------|----------------|--------------------|------------------|---------------|
|           | Unrestricted funds | Restricted funds | Total funds    | Unrestricted funds | Restricted funds | Total funds   |
|           | £                  | £                | £              | £                  | £                | £             |
| Donations | 5,457              | 33,445           | 38,902         | 6,172              | 45,898           | 52,070        |
| Legacies  | 17,041             | 281,337          | 298,378        | 22,491             | 3,246            | 25,737        |
|           | <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

|                          | 2024               |                  |               | 2023               |                  |              |
|--------------------------|--------------------|------------------|---------------|--------------------|------------------|--------------|
|                          | Unrestricted funds | Restricted funds | Total funds   | Unrestricted funds | Restricted funds | Total funds  |
|                          | £                  | £                | £             | £                  | £                | £            |
| Locomotive support club  | -                  | 8,240            | 8,240         | -                  | 7,971            | 7,971        |
| Model railway exhibition | 2,661              | -                | 2,661         | -                  | -                | -            |
|                          | <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

|                         | 2024               |                  |               | 2023               |                  |               |
|-------------------------|--------------------|------------------|---------------|--------------------|------------------|---------------|
|                         | Unrestricted funds | Restricted funds | Total funds   | Unrestricted funds | Restricted funds | 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           | 16,500             | 5,494            | 21,994        | 5,141              | 1,687            | 6,828         |
|                         | <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

|                               | 2024               |                  |               | 2023               |                  |               |
|-------------------------------|--------------------|------------------|---------------|--------------------|------------------|---------------|
|                               | Unrestricted funds | Restricted funds | Total funds   | Unrestricted funds | Restricted funds | Total funds   |
|                               | £                  | £                | £             | £                  | £                | £             |
|                               | As restated        |                  |               |                    |                  |               |
| Expenditure                   |                    |                  |               |                    |                  |               |
| 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)       | 414                | -                | 414           | 263                | -                | 263           |
|                               | <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<br>funds<br>£ | Restricted<br>funds<br>£ | 2024<br>Total<br>funds<br>£ | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 2023<br>Total<br>funds<br>£<br>As restated |
|---|----------------------------|--------------------------|-----------------------------|----------------------------|--------------------------|--|
| Income                                  |                            |                          |                             |                            |                          |  |
| Locomotive & rolling<br>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<br>funds<br>£ | Restricted<br>funds<br>£ | 2024<br>Total<br>funds<br>£ | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 2023<br>Total<br>funds<br>£<br>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>                            |

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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 2024 continued****9. Membership**

|                          | <b>Unrestricted<br/>funds<br/>£</b> | <b>Restricted<br/>funds<br/>£</b> | <b>2024<br/>Total<br/>funds<br/>£</b> | <b>Unrestricted<br/>funds<br/>£</b> | <b>Restricted<br/>funds<br/>£</b> | <b>2023<br/>Total<br/>funds<br/>£</b> |
|--------------------------|-------------------------------------|-----------------------------------|---------------------------------------|-------------------------------------|-----------------------------------|---------------------------------------|
| Income                   |                                     |                                   |                                       |                                     |                                   |                                       |
| Membership fees          | <u>55,056</u>                       | <u>-</u>                          | <u>55,056</u>                         | <u>56,476</u>                       | <u>-</u>                          | <u>56,476</u>                         |
|                          | <u>55,056</u>                       | <u>-</u>                          | <u>55,056</u>                         | <u>56,476</u>                       | <u>-</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>-</u>                          | <u>7,041</u>                          | <u>6,026</u>                        | <u>-</u>                          | <u>6,026</u>                          |
|                          | <u>61,263</u>                       | <u>-</u>                          | <u>61,263</u>                         | <u>54,015</u>                       | <u>-</u>                          | <u>54,015</u>                         |
| Net (expenditure)/income | <u>(6,207)</u>                      | <u>-</u>                          | <u>(6,207)</u>                        | <u>2,461</u>                        | <u>-</u>                          | <u>2,461</u>                          |

**10. Primary purpose trading**

|                         | <b>Unrestricted<br/>funds<br/>£</b> | <b>Restricted<br/>funds<br/>£</b> | <b>2024<br/>Total<br/>funds<br/>£</b> | <b>Unrestricted<br/>funds<br/>£</b> | <b>Restricted<br/>funds<br/>£</b> | <b>2023<br/>Total<br/>funds<br/>£</b> |
|-------------------------|-------------------------------------|-----------------------------------|---------------------------------------|-------------------------------------|-----------------------------------|---------------------------------------|
| 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>-</u>                          | <u>1,681</u>                          | <u>855</u>                          | <u>-</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>                         |

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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 2024 continued****11. Support costs**

|                                       | <b>2024</b>              | <b>2023</b>              |
|---------------------------------------|--------------------------|--------------------------|
|                                       | <b>Total expenditure</b> | <b>Total expenditure</b> |
| 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:

|  | <b>2024</b> | <b>2023</b> |
|--|-------------|-------------|
|  | <b>£</b>    | <b>£</b>    |
| 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.



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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 2024 continued****14. Tangible Fixed Assets**

|                                 | Collection<br>Assets | Locomotive<br>Boilers | Heritage<br>Assets Total | Leasehold<br>Buildings | Fixtures,<br>Fittings &<br>Equipment | Tangible<br>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>-</u>               | <u>1,000</u>                         | <u>1,000</u>             | <u>85,318</u>    |
| Cost at end of year             | <u>706,117</u>       | <u>388,689</u>        | <u>1,094,806</u>         | <u>520,403</u>         | <u>49,582</u>                        | <u>569,985</u>           | <u>1,664,791</u> |
| Depreciation at start of year   | <u>300,000</u>       | <u>201,761</u>        | <u>501,761</u>           | <u>157,248</u>         | <u>39,347</u>                        | <u>196,595</u>           | <u>698,356</u>   |
| Charge for year                 | <u>-</u>             | <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     | <u>300,000</u>       | <u>235,939</u>        | <u>535,939</u>           | <u>168,171</u>         | <u>40,900</u>                        | <u>209,071</u>           | <u>745,010</u>   |
| 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<br>£ | 2023<br>£ | 2022<br>£ | 2021<br>£ | 2020<br>£ |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|
| 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**

|   | <b>2024</b>      | <b>2023</b>      |
|---|------------------|------------------|
|   | <b>£</b>         | <b>£</b>         |
| Shares in North Norfolk Railway PLC       | <u>264,463</u>   |                  |
| Total Shares in Associate at cost         |                  | <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:

|  | <b>2024</b>    | <b>2023</b>     |
|--|----------------|-----------------|
|  | <b>£</b>       | <b>£</b>        |
| 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:

|                         | <b>2024</b> |          | <b>2023</b> |          |
|-------------------------|-------------|----------|-------------|----------|
|                         | <b>£</b>    | <b>%</b> | <b>£</b>    | <b>%</b> |
| 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

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### 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               |
|---|----------------|--------------------|
|   | £              | £                  |
|   |                | <b>As restated</b> |
| 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>      |

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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 2024 continued****19. Statement of Funds**

| <b>Statement of Funds –<br/>Current year</b> | <b>Balance at<br/>beginning<br/>of year</b> |                     |                          | <b>Investment<br/>Gain</b> | <b>Transfers<br/>Note 22</b> | <b>Balance<br/>at end of<br/>year</b> |
|--|---|---------------------|--------------------------|----------------------------|------------------------------|---------------------------------------|
|  | <b>£</b>                                    | <b>Income<br/>£</b> | <b>Expenditure<br/>£</b> | <b>£</b>                   | <b>£</b>                     | <b>£</b>                              |
| General Fund                                 | 269,452                                     | 117,271             | (138,606)                | -                          | (700)                        | 247,418                               |
| Designated Funds<br>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<br>Note 21            | 1,675,759                                   | 391,421             | (106,659)                | 11,237                     | (164,869)                    | 1,806,889                             |
| Total Endowment Funds<br>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>                      |

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

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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 2024 continued****20. Designated Funds**

| <b>Current year</b>               | <b>Balance at<br/>beginning of<br/>year<br/>£</b> | <b>Income<br/>£</b> | <b>Expenditure<br/>£</b> | <b>Transfers<br/>Note 22<br/>£</b> | <b>Balance at<br/>end of year<br/>£</b> |
|-----------------------------------|---|---------------------|--------------------------|------------------------------------|---|
| ‘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>                          |
| <b>Prior year<br/>As restated</b> | <b>Balance at<br/>beginning of<br/>year<br/>£</b> | <b>Income<br/>£</b> | <b>Expenditure<br/>£</b> | <b>Transfers<br/>£</b>             | <b>Balance at<br/>end of year<br/>£</b> |
| ‘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.

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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 2024 continued****21. Restricted Funds**

| <b>Current year</b>   | <b>Balance at<br/>beginning<br/>of year<br/>£</b> | <b>Income<br/>£</b> | <b>Expenditure<br/>£</b> | <b>Investment<br/>Gains<br/>£</b> | <b>Transfers<br/>Note 22<br/>£</b> | <b>Balance at<br/>end of year<br/>£</b> |
|-----------------------|---|---------------------|--------------------------|-----------------------------------|------------------------------------|---|
| 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>                        |

| <b>Prior year<br/>As restated</b> | <b>Balance at<br/>beginning<br/>of year<br/>£</b> | <b>Income<br/>£</b> | <b>Expenditure<br/>£</b> | <b>Investment<br/>Losses<br/>£</b> | <b>Transfers<br/>£</b> | <b>Balance at<br/>end of year<br/>£</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>(35,739)</u>          | <u>(31,996)</u>                    | <u>(37,873)</u>        | <u>1,675,759</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 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.



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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 2024 continued****23. Analysis of net assets between funds**

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

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

|  | <b>2024</b>    | <b>2023</b>    |
|--|----------------|----------------|
|  | <b>£</b>       | <b>£</b>       |
|  |                | 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**

|  | <b>2024</b>      | <b>2023</b>    |
|--|------------------|----------------|
|  | <b>£</b>         | <b>£</b>       |
| 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> |

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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 2024 continued**
**26. Analysis of changes in net debt**

|                           | At 1 February<br>2023<br>£ | Cash Flows     | At 31 January<br>2024<br>£ |
|---------------------------|----------------------------|----------------|----------------------------|
| 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 31<sup>st</sup> 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.