

Charity Registration No. 1072449

Company Registration No. 03232794 (England and Wales)

TANFIELD RAILWAY TRUST LIMITED

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

TANFIELD RAILWAY TRUST LIMITED

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TANFIELD RAILWAY TRUST LIMITED

TRUSTEES' ANNUAL REPORT REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 JULY 2023

The Trustees who are also directors for the purpose of company law present their report and the unaudited financial statements of the charity for the year ended 31 July 2023.

Reference and administrative details

Registered charity name Tanfield Railway Trust Ltd

Charity registration number 1072449

Company Registration Number 03232794

Principal office

Tanfield Railway
Marley Hill
Sunniside
Newcastle Upon Tyne
NE16 5ET

The Trustees

D W Smith (Chairman)
T M Hartley
R G Charlton
I Cowan
P Weightman
L Griffiths (Appointed September 2022)

Secretary

A M Pickering

Independent Examiner

Stephen Lamb FCA
TC Group
12 Bessemer Court
Hownsgill Park, Knitsley Lane,
Consett, County Durham
DH8 7BL

TRUSTEES' ANNUAL REPORT REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Objectives and activities

The overriding objects of the charity are to advance education by acquiring housing, exhibiting, conserving, restoring and repairing objects and collections of educational nature. The charity looks to establish, acquire and maintain museums, galleries, libraries and other places where such purposes may be achieved and where educational research, enquiry and the exchange and dissemination of relevant views and information may happen.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education when reviewing the charity's aims and objectives and in planning future activities.

Grant making policy

The charity has established its grant making policy to achieve its objects for the public benefit. The application of the funds by way of grants is to institutions. The trustees consider they have met the public benefit when distributing the grants.

Strategic report

The following sections of achievements and performance and financial review form the strategic report of the charity.

TRUSTEES' ANNUAL REPORT REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023

Achievements and performance

The charity received £99,720 in donations and legacies, rental income of £12,000 and rechargeable expenditure of £1,310.

In addition to the above the charity received a restricted grant receivable of £75,000. As at the year end none of the restricted funds were expended.

The charity had grants payable during the year amounting to £44,814, operational costs of £13,098 and support costs of £2,843. Included in that figure was fees payable of £612 for the independent examination.

With the above proceeds and expenditure the Tanfield Railway (TR) continues to develop under the TR Trust and TR Company. Major work on the main structure of the 1854 Marley Hill engine shed, the oldest in the world in which steam locomotives are still housed and maintained, has been completed. We have worked with authors on the publication of two books about the history of TR ready for our tercentenary in 2025. To tell and present the story of TR to the public we continue to liaise with Durham County Council on recreating a section of waggonway at Causey to represent the 1725 origins, and interpretation of the c1840 site of a stationary haulage engine. Together with the TR Company, we have arranged for major boiler repairs to Twizzell, a locomotive built in 1891 by Robert Stephenson & Co and used locally, this represents the final phase of the Tanfield Branch.

The charity has low governance costs comprising professional fees.

Grants over £5,000 made during the year to institutions are as detailed in the accounts.

There were no material fundraising costs during the year.

Related party transactions are disclosed as applicable in the notes to the accounts.

There was a net income and net movement in funds for the year amounting to £127,275.

Financial review

The trustees feel that the activity reflects the profile and standing within the local geographic area. The trustees would like to record their appreciation for all the financial support received from benefactors during the course of the year.

Reserves policy

The Unrestricted Fund represents the unrestricted funds arising from past operating results.

The Trustees are satisfied that the balance of the Fund is an acceptable level of reserves given the nature of receipts against expenditure.

In considering the financial obligations of the charity, the trustees have resolved to maintain a minimum reserve, being the net current assets of the charity.

The trustees are delighted to have made valuable education contributions to the wider community community as a result of this income and hope to be able to do so for many years to come.

The trustees feel that the activity reflects the profile and standing within the wider community. The impact for future years' expenditure is self evident and the trustees would like to record their appreciation for all the financial support received from benefactors during the course of the year.

The reserves, being the net current assets of the charity, stand at £273,559 of which £198,559 are unrestricted and £75,000 are restricted.

Structure Governance and Management

Tanfield Railway Trust Ltd is constituted by Memorandum and Articles of Association and is a company limited by guarantee. It was incorporated on 1st of August 1996 as a company and the company number is 3232794. It was registered as a charity on 13th of November 1998 with a charity number 1072449.

Recruitment and appointment of new trustees would be in line with the Memorandum and Articles of Association and with the consent of the trustees. The criteria set for the suitable candidate would be someone who is sensitive to the needs and demands of the organisation. There is no chief executive officer.

The day-to-day affairs are undertaken by the trustees. All major decisions are taken collectively by the trustees and all the trustees give of their time freely. The trustees are unpaid and details of any related party transactions are disclosed as applicable in the notes to the accounts. The arrangements for setting the pay of the charity's employees are the sole domain of the trustees. The charity does not employ anyone at the moment.

New trustees receive induction and training although there are no formal policies.

Risk review

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems are in place to manage our exposure to the major risks.

The major risks faced by the charity are principally those related to the implementation of the operations of the charity and the execution of the restoration of old structures and trains.

These risks are mitigated by the trustees implementing relevant policies to ensure the smooth running of the charity and its restorations works carried out.

Report back and review procedures strengthen these safeguards to ensure public benefit is achieved.

The trustees' annual report was approved by the trustees on 19 February 2024. The trustees report is signed on behalf of the board of trustees by:



D W Smith

Trustee (Chairman)

19 February 2024

TANFIELD RAILWAY TRUST LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF TANFIELD RAILWAY TRUST LIMITED

I report to the trustees on my examination of the financial statements of Tanfield Railway Trust Ltd ('the charity') for the year ended 31 July 2023.

Responsibilities and basis of report

As the trustees of the Charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

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

Independent examiner's statement

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

- 1 accounting records were not kept in respect of the as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

TANFIELD RAILWAY TRUST LIMITED

INDEPENDENT EXAMINER'S REPORT (CONTINUED)

TO THE TRUSTEES OF TANFIELD RAILWAY TRUST LIMITED

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Stephen Lamb FCA
Independent Examiner

TC Group
12 Bessemer Court
Hownsgill Park, Knitsley Lane,
Consett, County Durham
DH8 7BL

Dated: 19 February 2024

TANFIELD RAILWAY TRUST LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31 JULY 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £
<u>Income and endowments from:</u>					
Donations and legacies	3	99,720	75,000	174,720	33,648
Rental income		12,000	-	12,000	12,000
Other income	4	1,310	-	1,310	1,938
Total income		<u>113,030</u>	<u>75,000</u>	<u>188,030</u>	<u>47,586</u>
<u>Expenditure on:</u>					
Charitable activities	5	<u>60,755</u>	<u>-</u>	<u>60,755</u>	<u>91,040</u>
Net income/(expenditure) for the year/ Net movement in funds		52,275	75,000	127,275	(43,454)
Fund balances at 1 August 2022		<u>212,432</u>	<u>-</u>	<u>212,432</u>	<u>255,886</u>
Fund balances at 31 July 2023		<u><u>264,707</u></u>	<u><u>75,000</u></u>	<u><u>339,707</u></u>	<u><u>212,432</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

TANFIELD RAILWAY TRUST LIMITED

BALANCE SHEET

AS AT 31 JULY 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	12		66,148		73,993
Current assets					
Stocks	13	1,000		1,000	
Debtors	14	7,248		6,000	
Cash at bank and in hand		265,984		132,112	
		<u>274,232</u>		<u>139,112</u>	
Creditors: amounts falling due within one year	15	<u>(673)</u>		<u>(673)</u>	
Net current assets			273,559		138,439
Total assets less current liabilities			<u>339,707</u>		<u>212,432</u>
Income funds					
Restricted funds	16		75,000		-
Unrestricted funds			264,707		212,432
			<u>339,707</u>		<u>212,432</u>

TANFIELD RAILWAY TRUST LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 JULY 2023

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 July 2023.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 19 February 2024



D W Smith

Trustee

Company Registration No. 03232794

1 Accounting policies

Charity information

Tanfield Railway Trust Ltd is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is: Tanfield Railway, Marley Hill, Sunnyside, Newcastle Upon Tyne, NE16 5ET

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the entity. Monetary amounts in these financial statements are rounded to the nearest £

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus we trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

1 Accounting policies

(Continued)

1.4 Income

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

1.5 Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

The charity has elected not to depreciate fixtures and fittings, as the value is immaterial compared to the coalesced tangible assets.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	5%
Fixtures and fittings	0%

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charities balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

1 Accounting policies**(Continued)****Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price including transaction costs.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are recognised at transaction price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised at transaction price.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charities contractual obligations expire or are discharged or cancelled.

2 Critical accounting estimates and judgements

The preparation of the financial statements did not require management to make judgements, estimates or assumptions that affect the amounts reported, besides the valuation of the charities freehold property at the year end.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds
	2023	2023	2023	2022
	£	£	£	£
Donations and gifts	35,251	-	35,251	8,456
Legacies receivable	60,269	-	60,269	-
Grants Receivable	4,200	75,000	79,200	25,192
	<u>99,720</u>	<u>75,000</u>	<u>174,720</u>	<u>33,648</u>
Donations and gifts				
Donations	35,251	-	35,251	8,456
	<u>35,251</u>	<u>-</u>	<u>35,251</u>	<u>8,456</u>

TANFIELD RAILWAY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

3 Donations and legacies

(Continued)

Legacies receivable

Legacies receivable	60,269	-	60,269	-
	<u>60,269</u>	<u>-</u>	<u>60,269</u>	<u>-</u>

Grants receivable for core activities

Tanfield Railway Company Ltd	-	75,000	75,000	-
GMBC	-	-	-	25,192
Other Grants Receivable	4,200	-	4,200	-
	<u>4,200</u>	<u>75,000</u>	<u>79,200</u>	<u>25,192</u>

4 Other income

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Rechargeable Expenses	<u>1,310</u>	<u>1,938</u>

TANFIELD RAILWAY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

5 Charitable activities

	Expenditure on charitable activities 2023 £	Expenditure on charitable activities 2022 £
Depreciation and impairment	7,845	7,845
Rates	1,109	1,923
Printing and stationary	110	-
Materials	4,034	27,079
	<u>13,098</u>	<u>36,847</u>
Grant funding of activities (see note 6)	44,814	51,000
Share of support costs (see note 7)	2,231	2,520
Share of governance costs (see note 7)	612	673
	<u>60,755</u>	<u>91,040</u>

6 Grants payable

	Expenditure on charitable activities 2023 £	Expenditure on charitable activities 2022 £
Grants to institutions:		
Tanfield Railway Company LTD	<u>44,814</u>	<u>51,000</u>

-

TANFIELD RAILWAY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

7 Support costs	Support costs	Governance costs	2023 Support costs	Governance costs	2022
	£	£	£	£	£
Cleaning	1,248	-	1,248	-	1,872
General office	503	-	503	-	648
Professional fees	480	-	480	-	-
Accountancy	-	612	612	673	673
	2,231	612	2,843	673	3,193
Analysed between					
Charitable activities	2,231	612	2,843	673	3,193

Governance costs includes payments to the independent examiner of £612 (2022: £673).

TANFIELD RAILWAY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

8	Net movement in funds	2023	2022
		£	£
	Net movement in funds is stated after charging/(crediting)		
	Depreciation of owned tangible fixed assets	7,845	7,845
		<u> </u>	<u> </u>

9 Trustees

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

10 Employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
Total	-	-
	<u> </u>	<u> </u>

11 Taxation

Tanfield Railway Trust Ltd is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

TANFIELD RAILWAY TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

12 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 August 2022	155,657	1,810	157,467
At 31 July 2023	155,657	1,810	157,467
Depreciation and impairment			
At 1 August 2022	83,474	-	83,474
Depreciation charged in the year	7,845	-	7,845
At 31 July 2023	91,319	-	91,319
Carrying amount			
At 31 July 2023	64,338	1,810	66,148
At 31 July 2022	72,183	1,810	73,993

13 Stocks

	2023	2022
	£	£
Raw materials and consumables	1,000	1,000

14 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	7,248	6,000

15 Creditors: amounts falling due within one year

	2023	2022
	£	£
Accruals and deferred income	673	673

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2023

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		Movement in funds	
	Incoming resources	Balance at 1 August 2022	Incoming resources	Balance at 31 July 2023
	£	£	£	£
Match funding to unlock development projects	-	-	75,000	75,000

The fund is used to unlock development projects for the benefit of the Tanfield Railway, such as construction of or improvements to museum or storage buildings, land acquisition, or other major investments in the Tanfield Railway to further the educational aims of Tanfield Railway Trust.

17 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £
Fund balances at 31 July 2023 are represented by:				
Tangible assets	66,148	-	66,148	73,993
Current assets/(liabilities)	198,559	75,000	273,559	138,439
	<u>264,707</u>	<u>75,000</u>	<u>339,707</u>	<u>212,432</u>

18 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

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