

ROTHER VALLEY RAILWAY HERITAGE TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

ROTHER VALLEY RAILWAY HERITAGE TRUST

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ROTHER VALLEY RAILWAY HERITAGE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees

Mr Gardner Crawley BSc(Eng) FICE (Chairman)
Mr David Felton FCA
Mr Michael Hart OBE
Mr Graham Peters BSc DL
Mr Richard Broyd OBE
Mr David Keay CEng, FIMechE, FIET
Mr David Slack FRICS, FIAGR, MRAC, BEM

Charity registered number

1088452

Principal office

Robertsbridge Junction Station, Station Road, Robertsbridge, East Sussex, TN32 5DG

Independent auditor

Crowe U.K. LLP, Riverside House, 40 - 46 High Street, Maidstone, Kent, ME14 1JH

Bankers

CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ

ROTHER VALLEY RAILWAY HERITAGE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their annual report together with the audited financial statements of the group and the charity Rother Valley Railway Heritage Trust (the charity and the group) for the year ended 31 December 2020. The Trustees confirm that the Annual report and financial statements of the charity and the group comply with the current statutory requirements, the requirements of the charity and the group's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2015.

Objectives and Activities

a. POLICIES AND OBJECTIVES

The objects of the charity are to preserve for the benefit of the public of Kent and East Sussex and of the nation the historical, architectural and constructional heritage that may exist in and around Kent and East Sussex in buildings (including any building as defined in section 336 of the Town and Country Planning Act 1990) or structures of particular beauty or historical, architectural or constructional interest.

Rother Valley Railway Limited a majority owned subsidiary of the charity continues to act on the reconstruction of the Kent & East Sussex Railway from Bodiam to Robertsbridge in East Sussex to preserve the heritage of the historic railway.

The charity makes grants to achieve these objectives.

In setting these objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Achievements and performance

a. REVIEW OF ACTIVITIES

In preparing a review of the activities for the year, the Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

During the year, the charity made grants of £543,000 in accordance with its objectives. These grants enabled the continuation of the restoration of the historic trackbed between Junction Road and Robertsbridge station. In addition further grants were made for the rebuilding of a vintage 1917 Manning Wardle steam locomotive, *Charwelton*, and an initial grant was made towards the costs of dismantling and recovering the turntable at Hither Green MPD, donated to the Trust for eventual reconstruction and reuse at Robertsbridge Junction Station.

b. GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

c. PUBLIC BENEFIT

The Trustees consider that the charity's objectives are for the public benefit and that its activities, achievements and performance are consistent with its objectives.

To achieve its objectives the charity:-

* makes donations for the acquisition, preservation and restoration of locomotives, rolling stock and other items

ROTHER VALLEY RAILWAY HERITAGE TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

of historical, operational, educational and general interest;

* maintains, improves and develops the railway and the land, works and buildings relating thereto;

* encourages and promotes the interest, support and participation of young people in the railway; and maintains a public museum of objects of interest in the history of the railway.

d. FUNDRAISING REGULATION

Rother Valley Railway Heritage Trust complies with sector best practice. No complaints were received with regards to fundraising throughout the course of the year and no professional fundraisers or commercial partners conducted fundraising as charity representatives. The board of trustees monitors and manages its fundraising regulation and compliance which are discussed at board meetings.

Donations received come from a variety of donors, with the majority coming from two main supporters of the charity. The Trustees regard its relationship with donors as highly important and it looks to retain the support of its donors for many years to come.

The Trustees are continuing to look for further donors and will be implementing new policies to help aid the progression of the restoration project.

Financial review

a. RESERVES POLICY AND FUTURE DEVELOPMENTS

The Trustees regularly review the reserves position of the charity and will only carry out projects if the necessary reserves are available. The total expenditure anticipated for the complete reconstruction of the railway is in excess of £6 million. To date the charity has received approximately £4m of funding and is continuing to seek future funding to enable the completion of the railway.

The charity's unrestricted reserves as at 31 December 2020 were £1,039,753 (2019 - £852,223). The Trustees believe these to be the free reserves as investment in tangible fixed assets for the railway restoration are the objectives of the charity.

Since the balance sheet date, the COVID-19 pandemic has emerged and its impact has been felt around the world. As a result of the UK lockdown throughout the Spring of 2020, work on the railway was interrupted and volunteers were unable to access the site. Whilst this may have delayed some of the projects, the Trustees are confident that the work will continue as the situation improves.

The COVID-19 pandemic also meant that the Public Inquiry into the TWAO application for the reconstruction of the Junction Road to Robertsbridge section of the line which had been scheduled for May 2020 was postponed. The Inquiry eventually sat for 19 days between the 6 July and 3 September 2021. The Inspector will in due course report to the Secretary of State for Transport. The Trustees expect to receive a decision from the latter by mid-2022.

Structure, governance and management

a. CONSTITUTION

The charity is an unincorporated association registered with the Charity Commission and constituted under a Trust Deed dated 17 January 2001. Its objects and powers are set out therein.

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the charity and the group is the responsibility of the Trustees who are elected and co-opted

ROTHER VALLEY RAILWAY HERITAGE TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

under the terms of the Trust deed.

c. CHARITY GOVERNANCE CODE

The Trustees have taken note of the new Charity Governance Code. The Trustees have attended seminars in the year and are now implementing policies to comply with the Code.

d. RISK MANAGEMENT

The Trustees have given consideration to the major risks to which the Trust is exposed, and have considered the systems designed to mitigate exposure to these risks, in particular regular Trustee's meetings with a careful review of the Trust's funding and available resources to ensure sufficient monies are held to meet and manage the Trust's costs and current and ongoing commitments.

TRUSTEES' RESPONSIBILITIES STATEMENT

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

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the group for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity and the group's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees, on 28.10.21 and signed on their behalf by:

Mr David Felton FCA



ROTHER VALLEY RAILWAY HERITAGE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ROTHER VALLEY RAILWAY HERITAGE TRUST

OPINION

We have audited the financial statements of Rother Valley Railway Heritage Trust (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2020 set out in the Consolidated Statement of Financial Activities, Consolidated Balance Sheet and the company Balance Sheet. 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2020 and of the group's incoming resources and application of resources 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 Charities Act 2011.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 Group's or the parent 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.

ROTHER VALLEY RAILWAY HERITAGE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ROTHER VALLEY RAILWAY HERITAGE TRUST

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the Annual 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.

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.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the parent charity has not kept sufficient accounting records; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charity) 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 group's and the parent charity'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 group or the parent charity or to cease operations, or have no realistic alternative but to do so.

ROTHER VALLEY RAILWAY HERITAGE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ROTHER VALLEY RAILWAY HERITAGE TRUST

AUDITOR'S 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 Auditor's 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:

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the SORP 2015.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included:

- enquiry of management about the Group's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- enquiry of management and review and inspection of relevant correspondence;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; and
- review of accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

USE OF OUR REPORT

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

ROTHER VALLEY RAILWAY HERITAGE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ROTHER VALLEY RAILWAY HERITAGE
TRUST

 I. Weekes

Crowe U.K. LLP

Ian Weekes

Riverside House
40 - 46 High Street
Maidstone
Kent
ME14 1JH

Date: 28 October 2021

Crowe U.K. LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

ROTHER VALLEY RAILWAY HERITAGE TRUST

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME FROM:					
Donations and legacies	3	590,432	156,623	747,055	23,650
Other trading activities	4	7,351	-	7,351	7,459
Investments	5	249	-	249	918
TOTAL INCOME		598,032	156,623	754,655	32,027
EXPENDITURE ON:					
Charitable activities		57,288	116,889	174,177	109,284
TOTAL EXPENDITURE	9	57,288	116,889	174,177	109,284
NET MOVEMENT IN FUNDS		540,744	39,734	580,478	(77,257)
RECONCILIATION OF FUNDS:					
Total funds brought forward		3,730,912	28,470	3,759,382	3,836,639
Net income attributable to Parent Charity		-	-	-	-
Total funds after net income		3,730,912	28,470	3,759,382	3,759,348
Net income attributable to Non-controlling interest		-	-	-	34
TOTAL FUNDS CARRIED FORWARD		4,271,656	68,204	4,339,860	3,759,382

The notes on pages 12 to 25 form part of these financial statements.

ROTHER VALLEY RAILWAY HERITAGE TRUST

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020**

	Note	£	2020 £	£	2019 £
FIXED ASSETS					
Tangible assets	12		3,718,451		3,330,176
Investments	13		2,000		2,000
			<u>3,720,451</u>		<u>3,332,176</u>
CURRENT ASSETS					
Debtors	14	34,198		22,282	
Cash at bank and in hand		639,520		426,741	
		<u>673,718</u>		<u>449,023</u>	
CREDITORS: amounts falling due within one year	15	(54,309)		(21,817)	
NET CURRENT ASSETS			619,409		427,206
NET ASSETS			<u>4,339,860</u>		<u>3,759,382</u>
CHARITY FUNDS					
Restricted funds	18		68,204		28,470
Unrestricted funds	18		4,271,518		3,730,771
TOTAL FUNDS			<u>4,339,722</u>		<u>3,759,241</u>
NON-CONTROLLING INTERESTS	17		138		141
			<u>4,339,860</u>		<u>3,759,382</u>

The financial statements were approved by the Trustees and authorised for issue on 28.10.2021 and signed on their behalf, by:

Mr David Felton FCA

The notes on pages 12 to 25 form part of these financial statements.

ROTHER VALLEY RAILWAY HERITAGE TRUST

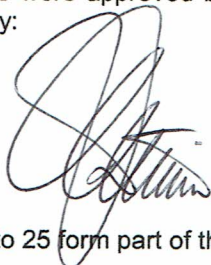
CHARITY BALANCE SHEET AS AT 31 DECEMBER 2020

	Note	£	2020 £	£	2019 £
FIXED ASSETS					
Tangible assets	12		441,774		441,774
Investments	13		37,749		37,749
			<u>479,523</u>		<u>479,523</u>
CURRENT ASSETS					
Debtors	14	-		35	
Cash at bank		633,753		406,415	
		<u>633,753</u>		<u>406,450</u>	
CREDITORS: amounts falling due within one year	15	(5,319)		(5,280)	
NET CURRENT ASSETS			<u>628,434</u>		<u>401,170</u>
NET ASSETS			<u>1,107,957</u>		<u>880,693</u>
CHARITY FUNDS					
Restricted funds	18		68,204		28,470
Unrestricted funds	18		1,039,753		852,223
TOTAL FUNDS			<u>1,107,957</u>		<u>880,693</u>

The notes on pages 12 to 25 form part of these financial statements.

The financial statements were approved by the Trustees and authorised for issue on 28.10.2021 and signed on their behalf, by:

Mr David Felton FCA



The notes on pages 12 to 25 form part of these financial statements.

ROTHER VALLEY RAILWAY HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Section 1A small entities) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Rother Valley Railway Heritage Trust constitutes a public benefit entity as defined by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the charity alone as permitted by Charities SORP (FRS 102).

The net income and expenditure account for the year dealt with in the accounts of the charity was a surplus of £227,183 (2019 - £349,638 Deficit).

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

1.2 Basis of consolidation

The financial statements consolidate the accounts of Rother Valley Railway Heritage Trust and all of its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The results of subsidiaries acquired during the year are included from the effective date of acquisition.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

ROTHER VALLEY RAILWAY HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

1.4 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.

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.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1.5 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. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity.

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

All expenditure is inclusive of irrecoverable VAT.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

ROTHER VALLEY RAILWAY HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £50 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Permanent way	-	2% straight line
Buildings and structures	-	10% straight line
Land	-	No depreciation
Fixtures & fittings	-	20% straight line
Equipment	-	25% straight line
Rolling stock	-	5%/10% straight line

1.7 Investments

Investments are stated at market value at the balance sheet date. The Statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

(i) Subsidiary undertakings

Investments in subsidiaries are valued at cost less provision for impairment.

1.8 Interest receivable

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.

1.9 Debtors

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

1.10 Cash at Bank and in hand

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

ROTHER VALLEY RAILWAY HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Critical accounting estimates and areas of judgment

Estimates and judgments 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:

Tangible fixed assets: the directors annually assess both the residual value of these assets and the expected useful life of such assets based on experience.

2. GENERAL INFORMATION

The principal activity of the charity during the year was to preserve for the benefit of the public of Kent and East Sussex and of the nation the historical, architectural and constructional heritage that may exist in and around Kent and East Sussex in buildings or structures of particular beauty or historical, architectural or constructional interest.

The charity is an unincorporated charity which is registered in England and Wales (1088452). The address of the registered office is:

Robertsbridge Junction Station
Station Road
Robertsbridge
East Sussex
TN32 5DG

ROTHER VALLEY RAILWAY HERITAGE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	590,432	156,623	747,055	7,176
Other similar incoming resources	-	-	-	16,474
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	590,432	156,623	747,055	23,650
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2019	23,650	-	23,650	
	<hr/>	<hr/>	<hr/>	

4. FUNDRAISING INCOME

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Scrap sales	-	-	-	108
Rent received	7,351	-	7,351	7,351
	<hr/>	<hr/>	<hr/>	<hr/>
	7,351	-	7,351	7,459
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2019	7,459	-	7,459	
	<hr/>	<hr/>	<hr/>	

5. INVESTMENT INCOME

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Interest received	249	-	249	918
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2019	918	-	918	
	<hr/>	<hr/>	<hr/>	

ROTHER VALLEY RAILWAY HERITAGE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. DIRECT COSTS

	Principal activity £	Total 2020 £	Total 2019 £
Tools and general consumables	1,025	1,025	1,292
Rolling stock restoration	264	264	994
Repairs and maintenance	1,795	1,795	267
Diesel	15	15	10
Abortive public inquiry costs	58,845	58,845	-
Depreciation	88,144	88,144	81,768
	<u>150,088</u>	<u>150,088</u>	<u>84,331</u>
<i>Total 2019</i>	<u>84,330</u>	<u>84,330</u>	

7. SUPPORT COSTS

	Principal activity £	Total 2020 £	Total 2019 £
Rent paid	5,001	5,001	5,001
Insurance	4,892	4,892	4,742
Electricity and heating	2,102	2,102	1,560
Water	32	32	210
Telephone	680	680	497
Waste Collection	800	800	755
Subscriptions	-	-	200
Legal and professional	582	582	883
Bank charges	189	189	197
Forestry and conversation	2,308	2,308	3,075
Cleaning	12	12	7
Sundry expenses	1,709	1,709	2,347
Health and safety expenses	372	372	200
	<u>18,679</u>	<u>18,679</u>	<u>19,674</u>
<i>Total 2019</i>	<u>19,674</u>	<u>19,674</u>	

ROTHER VALLEY RAILWAY HERITAGE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. GOVERNANCE COSTS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Governance Auditors' remuneration	5,410	-	5,410	5,280

9. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Depreciation 2020 £	Other costs 2020 £	Total 2020 £	Total 2019 £
Direct costs - principal activity	88,144	61,944	150,088	84,330
Support costs - principal activity	-	18,679	18,679	19,674
Charitable activities	88,144	80,623	168,767	104,004
Expenditure on governance	-	5,410	5,410	5,280
Total 2020	88,144	86,033	174,177	109,284
Total 2019	81,767	27,517	109,284	

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	88,144	81,767
Auditor's remuneration - audit	5,410	5,280

11. AUDITORS' REMUNERATION

The Auditor's remuneration amounts to an Audit fee of £5,410 (2019 - £5,280).

ROTHER VALLEY RAILWAY HERITAGE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. TANGIBLE FIXED ASSETS

Group	Permanent way £	Buildings and structures £	Land £	Fixtures, fittings and equipment £	Rolling Stock £	Total £
Cost						
At 1 January 2020	3,089,015	127,454	441,774	17,021	182,336	3,857,600
Additions	341,226	-	-	99,478	35,715	476,419
At 31 December 2020	3,430,241	127,454	441,774	116,499	218,051	4,334,019
Depreciation						
At 1 January 2020	403,183	39,942	-	14,337	69,962	527,424
Charge for the year	68,614	11,113	-	1,182	7,235	88,144
At 31 December 2020	471,797	51,055	-	15,519	77,197	615,568
Net book value						
At 31 December 2020	2,958,444	76,399	441,774	100,980	140,854	3,718,451
At 31 December 2019	2,685,832	87,512	441,774	2,684	112,374	3,330,176
Charity						Land £
Cost						
At 1 January 2020 and 31 December 2020						441,774
Depreciation						
At 1 January 2020 and 31 December 2020						-
Net book value						
At 31 December 2020						441,774
At 31 December 2019						441,774

ROTHER VALLEY RAILWAY HERITAGE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. FIXED ASSET INVESTMENTS

Group	Unlisted investments £
At 1 January 2020 and 31 December 2020	<u><u>2,000</u></u>

Unlisted investments represent Rother Valley Railway Limited's 8 ordinary shares (nominal value of £250 each) of The 4253 Locomotive Co Limited. This represents less than 1% of the share capital.

Charity	Shares in group undertakings £
At 1 January 2020 and 31 December 2020	<u><u>37,749</u></u>

Shares in group undertakings represent Rother Valley Heritage Trust's holding in Rother Valley Railway Limited.

14. DEBTORS

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Other debtors	29,436	18,336	-	35
Prepayments and accrued income	4,762	3,946	-	-
	<u><u>34,198</u></u>	<u><u>22,282</u></u>	<u><u>-</u></u>	<u><u>35</u></u>

ROTHER VALLEY RAILWAY HERITAGE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. CREDITORS: Amounts falling due within one year

	<u>Group</u>		<u>Charity</u>	
	2020	2019	2020	2019
	£	£	£	£
Other creditors	4,076	16,537	-	-
Accruals and deferred income	50,233	5,280	5,319	5,280
	<u>54,309</u>	<u>21,817</u>	<u>5,319</u>	<u>5,280</u>

16. FINANCIAL INSTRUMENTS

	2020	2019
	£	£
Financial assets measured at amortised cost	<u>672,693</u>	<u>445,075</u>
Financial liabilities measured at amortised cost	<u>(50,238)</u>	<u>(18,493)</u>

Financial assets measured at amortised cost comprise cash at bank and other debtors

Financial liabilities measured at amortised cost comprise other creditors and accruals.

17. NON-CONTROLLING INTERESTS

Equity

	£
At 1 January 2020	141
Proportion of profit/(loss) after taxation for the year	(3)
At 31 December 2020	<u>138</u>

ROTHER VALLEY RAILWAY HERITAGE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

18. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2020 £	Income £	Expenditure £	Balance at 31 December 2020 £
Unrestricted funds				
General Funds - all funds	3,730,771	631,486	(57,310)	4,304,947
Minority interest	141	-	-	141
Other General funds	-	(33,454)	22	(33,432)
	<u>3,730,912</u>	<u>598,032</u>	<u>(57,288)</u>	<u>4,271,656</u>
Restricted funds				
Hawkhurst Signal Box Fund	623	-	(623)	-
BP Tank Restoration Fund	352	-	-	352
Charwelton Restoration	27,245	50,000	(27,215)	50,030
Gazebo fund	250	-	(158)	92
Turntable fund	-	106,623	(88,893)	17,730
	<u>28,470</u>	<u>156,623</u>	<u>(116,889)</u>	<u>68,204</u>
Total of funds	<u><u>3,759,382</u></u>	<u><u>754,655</u></u>	<u><u>(174,177)</u></u>	<u><u>4,339,860</u></u>

Restricted funds are funds which have been given for a particular purpose or project. These funds have been 'ring fenced' for use in support of the aims of the respective fund.

The Charwelton Restoration Fund is monies for the rebuilding of a vintage 1917 Manning Wardle steam Locomotive and grants were made during the year to further this cause.

Other funds are restricted in line with the purpose indicated in the name of the fund.

ROTHER VALLEY RAILWAY HERITAGE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

18. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 January 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2019 £</i>
General funds						
General Funds - all funds	3,727,478	31,902	(50,167)	21,524	34	3,730,771
Minority interest	350	-	-	(175)	(34)	141
Restricted funds						
Rolvenden Carriage Shed Fund	21,349	-	-	(21,349)	-	-
Hawkhurst Signal Box Fund	623	-	-	-	-	623
BP Tank Restoration Fund	227	125	-	-	-	352
Charwelton Restoration	86,362	-	(59,117)	-	-	27,245
Gazebo fund	250	-	-	-	-	250
	<u>108,811</u>	<u>125</u>	<u>(59,117)</u>	<u>(21,349)</u>	<u>-</u>	<u>28,470</u>
Total of funds	<u>3,836,639</u>	<u>32,027</u>	<u>(109,284)</u>	<u>-</u>	<u>-</u>	<u>3,759,382</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	3,718,453	-	3,718,453
Fixed asset investments	2,000	-	2,000
Current assets	605,512	68,204	673,716
Creditors due within one year	(54,309)	-	(54,309)
	<u>4,271,656</u>	<u>68,204</u>	<u>4,339,860</u>

ROTHER VALLEY RAILWAY HERITAGE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	3,330,178	-	3,330,178
Fixed asset investments	2,000	-	2,000
Current assets	420,551	28,470	449,021
Creditors due within one year	(21,817)	-	(21,817)
	<u>3,730,912</u>	<u>28,470</u>	<u>3,759,382</u>

20. CAPITAL COMMITMENTS

At 31 December 2020 the group and charity had capital commitments as follows:

	<u>Group</u>		<u>Charity</u>	
	2020 £	2019 £	2020 £	2019 £
Contracted for but not provided in these financial statements	<u>73,887</u>	<u>51,178</u>	<u>73,887</u>	<u>51,178</u>

21. OPERATING LEASE COMMITMENTS

At 31 December 2020 the total of the group's future minimum lease payments under non-cancellable operating leases was:

Group	2020 £	2019 £
Amounts payable:		
Within 1 year	<u>-</u>	<u>5,000</u>

ROTHER VALLEY RAILWAY HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

22. RELATED PARTY TRANSACTIONS

During the year Rother Valley Railway Heritage Trust gave grants to Rother Valley Railway Limited totalling £543,000 (2019- £360,000) in relation to various construction projects on reconstruction of the Rother Valley Railway. As at 31 December 2020 £nil (2019 - £nil) was owed to Rother Valley Railway Limited.

During the year rent of £1 (2019 - £1) was paid by Rother Valley Railway Limited to Rother Valley Railway Heritage Trust.

During the year consultancy services of £17,819 (2018 - £9,991) were received from David Gillett Consulting Limited, a company of which D Gillett is a director and is also a director of Rother Valley Railway Limited. As at 31 December 2020 £nil (2019 - £nil) was owed by Rother Valley Railway Limited.

The charity does not have any employees. The key management personnel are considered to be the trustees who receive no remuneration.

23. PRINCIPAL SUBSIDIARIES

Rother Valley Railway Limited

Subsidiary name	Rother Valley Railway Limited
Company registration number	2613553
Basis of control	
Equity shareholding %	99%
Total assets as at 31 December 2020	£ 3,318,616
Total liabilities as at 31 December 2019	£ (3,310,946)
Total equity as at 31 December 2020	£ 7,670
Turnover for the year ended 31 December 2020	£ 167,874
Expenditure for the year ended 31 December 2020	£ (168,133)
Loss for the year ended 31 December 2020	£ (259)