

ROTHER VALLEY RAILWAY HERITAGE TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021

Trustees

Mr Gardner Crawley BSc(Eng) FICE (Chairman)
Mr David Felton FCA
Mr Michael Hart OBE
Mr Richard Broyd OBE
Mr David Keay CEng, FIMechE, FIET
Mr David Slack FRICS, FIAGrM, MRAC, BEM
Mr Graham Peters BSc DL (resigned 7 February 2022)
Dr Stephen Murfitt LLB, LLM, PhD (appointed 16 May 2022)

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 2021

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 2021.. 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 £792,500 to its subsidiary 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 costs of dismantling, recovering and refurbishing 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 of historical, operational, educational and general interest;

ROTHER VALLEY RAILWAY HERITAGE TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

- * 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 free reserves as at 31 December 2021 were £641,006 (2020 - £597,978), the free reserves being defined by the Charity Commission as unrestricted reserves less the fixed assets needed to undertake the objectives of the charity.

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 end of 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 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.

ROTHER VALLEY RAILWAY HERITAGE TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

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 27 October 2022 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 2021 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, the Charity Balance Sheet, and notes to the financial statements, including 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 group's and the charitable company's affairs as at 31 December 21 and of the group's 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 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

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements included within the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent company has not kept adequate accounting record; or
- the parent company 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

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.

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 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 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or

ROTHER VALLEY RAILWAY HERITAGE TRUST

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

for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP

Ian Weekes

Riverside House
40 - 46 High Street
Maidstone
Kent
ME14 1JH
27 October 2022

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 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
INCOME FROM:					
Donations and legacies	3	858,182	74,278	932,460	747,055
Other trading activities	4	7,440	-	7,440	7,351
Investments	5	43	-	43	249
TOTAL INCOME		865,665	74,278	939,943	754,655
EXPENDITURE ON:					
Charitable activities		92,415	35,892	128,307	174,177
TOTAL EXPENDITURE	9	92,415	35,892	128,307	174,177
NET MOVEMENT IN FUNDS		773,250	38,386	811,636	580,478
RECONCILIATION OF FUNDS:					
Total funds brought forward		4,271,656	68,204	4,339,860	3,759,382
Net income attributable to Parent Charity		728,126	38,386	766,512	580,478
Total funds after net income		4,999,782	106,590	5,106,372	3,759,382
Net income attributable to Non-controlling interest		33	-	33	-
TOTAL FUNDS CARRIED FORWARD		5,044,906	106,590	5,151,496	4,339,860

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 2021**

	Note	£	2021 £	£	2020 £
FIXED ASSETS					
Tangible assets	12		4,388,524		3,718,451
Investments	13		2,000		2,000
			<u>4,390,524</u>		<u>3,720,451</u>
CURRENT ASSETS					
Debtors	14	407,269		34,198	
Cash at bank and in hand		363,136		639,520	
		<u>770,405</u>		<u>673,718</u>	
CREDITORS: amounts falling due within one year	15	(9,433)		(54,309)	
NET CURRENT ASSETS			<u>760,972</u>		<u>619,409</u>
NET ASSETS			<u>5,151,496</u>		<u>4,339,860</u>
CHARITY FUNDS					
Restricted funds	18		106,590		68,204
Unrestricted funds	18		5,044,735		4,271,518
TOTAL FUNDS			<u>5,151,325</u>		<u>4,339,722</u>
NON-CONTROLLING INTERESTS	17		171		138
			<u>5,151,496</u>		<u>4,339,860</u>

The financial statements were approved by the Trustees and authorised for issue on 27 October 2022 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 2021

	Note	£	2021 £	£	2020 £
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	362,308		-	
Cash at bank		353,239		633,753	
		<u>715,547</u>		<u>633,753</u>	
CREDITORS: amounts falling due within one year	15	(5,700)		(5,320)	
NET CURRENT ASSETS			<u>709,847</u>		<u>628,433</u>
NET ASSETS			<u>1,189,370</u>		<u>1,107,956</u>
CHARITY FUNDS					
Restricted funds	18		106,590		68,204
Unrestricted funds	18		1,082,780		1,039,752
TOTAL FUNDS			<u>1,189,370</u>		<u>1,107,956</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 27 October 2022 and signed on their behalf, by:

Mr David Felton FCA

ROTHER VALLEY RAILWAY HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 £81,414 (2020 - £227,183).

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.

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 2021

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 2021

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 2021

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 2021**

3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	858,182	74,278	932,460	747,055
<i>Total 2020</i>	590,432	156,623	747,055	

4. FUNDRAISING INCOME

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Scrap sales	89	-	89	-
Rent received	7,351	-	7,351	7,351
	7,440	-	7,440	7,351
<i>Total 2020</i>	7,351	-	7,351	

5. INVESTMENT INCOME

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Interest received	43	-	43	249
<i>Total 2020</i>	249	-	249	

ROTHER VALLEY RAILWAY HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

6. DIRECT COSTS

	Principal activity £	Total 2021 £	Total 2020 £
Tools and general consumables	1,138	1,138	1,025
Rolling stock restoration	2,184	2,184	264
Repairs and maintenance	1,109	1,109	1,795
Diesel	10	10	15
Abortive public inquiry costs	-	-	58,845
Depreciation	100,014	100,014	88,144
	<u>104,455</u>	<u>104,455</u>	<u>150,088</u>
<i>Total 2020</i>	<u>150,088</u>	<u>150,088</u>	

7. SUPPORT COSTS

	Principal activity £	Total 2021 £	Total 2020 £
Rent paid	5,001	5,001	5,001
Insurance	5,027	5,027	4,892
Electricity and heating	1,760	1,760	2,102
Water	350	350	32
Telephone	711	711	680
Waste Collection	898	898	800
Subscriptions	260	260	-
Legal and professional	13	13	582
Bank charges	339	339	189
Forestry and conversation	1,097	1,097	2,308
Cleaning	244	244	12
Sundry expenses	2,277	2,277	1,709
Health and safety expenses	175	175	372
	<u>18,152</u>	<u>18,152</u>	<u>18,679</u>
<i>Total 2020</i>	<u>18,679</u>	<u>18,679</u>	

During the year ended 31 December 2021, the charity incurred the following Governance costs:
£NIL (2020 - £NIL)

ROTHER VALLEY RAILWAY HERITAGE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. GOVERNANCE COSTS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Governance Auditors' remuneration	5,700	-	5,700	5,410

9. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Depreciation 2021 £	Other costs 2021 £	Total 2021 £	Total 2020 £
Direct costs - principal activity	100,014	4,441	104,455	150,088
Support costs - principal activity	-	18,152	18,152	18,679
Charitable activities	100,014	22,593	122,607	168,767
Expenditure on governance	-	5,700	5,700	5,410
Total 2021	100,014	28,293	128,307	174,177
Total 2020	88,144	86,033	174,177	

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	100,014	88,144
Auditor's remuneration - audit	5,700	5,410

11. AUDITORS' REMUNERATION

The Auditor's remuneration amounts to an Audit fee of £5,700 (2020 - £5,410).

ROTHER VALLEY RAILWAY HERITAGE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. TANGIBLE FIXED ASSETS

Group	Permanent way £	Buildings and structures £	Land £	Fixtures, fittings and equipment £	Rolling Stock £	Total £
Cost						
At 1 January 2021	3,430,241	127,454	441,774	116,499	218,051	4,334,019
Additions	750,419	-	-	17,295	2,373	770,087
At 31 December 2021	4,180,660	127,454	441,774	133,794	220,424	5,104,106
Depreciation						
At 1 January 2021	471,797	51,055	-	15,519	77,197	615,568
Charge for the year	83,623	11,113	-	893	4,385	100,014
At 31 December 2021	555,420	62,168	-	16,412	81,582	715,582
Net book value						
At 31 December 2021	3,625,240	65,286	441,774	117,382	138,842	4,388,524
At 31 December 2020	2,958,444	76,399	441,774	100,980	140,854	3,718,451
Charity						Land £
Cost						
At 1 January 2021 and 31 December 2021						441,774
Depreciation						
At 1 January 2021 and 31 December 2021						-
Net book value						
At 31 December 2021						441,774
At 31 December 2020						441,774

ROTHER VALLEY RAILWAY HERITAGE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. FIXED ASSET INVESTMENTS

Group	Unlisted investments £
At 1 January 2021 and 31 December 2021	2,000

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	Trade investments £
At 1 January 2021 and 31 December 2021	37,749

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

14. DEBTORS

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Other debtors	39,814	29,436	-	-
Prepayments and accrued income	367,455	4,762	362,308	-
	407,269	34,198	362,308	-

ROTHER VALLEY RAILWAY HERITAGE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. CREDITORS: Amounts falling due within one year

	<u>Group</u>		<u>Charity</u>	
	2021	2020	2021	2020
	£	£	£	£
Other creditors	3,655	4,075	-	1
Accruals and deferred income	5,778	50,234	5,700	5,319
	<u>9,433</u>	<u>54,309</u>	<u>5,700</u>	<u>5,320</u>

16. FINANCIAL INSTRUMENTS

	2021	2020
	£	£
Financial assets measured at amortised cost	<u>770,184</u>	<u>672,693</u>
Financial liabilities measured at amortised cost	<u>(54,304)</u>	<u>(50,238)</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 2021	(138)
Proportion of profit/(loss) after taxation for the year	<u>(33)</u>
At 31 December 2021	<u>(171)</u>

ROTHER VALLEY RAILWAY HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

18. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2021 £
Unrestricted funds					
General Funds - all funds	4,271,518	865,665	(92,415)	(33)	5,044,735
Minority interest	138	-	-	33	171
	<u>4,271,656</u>	<u>865,665</u>	<u>(92,415)</u>	<u>-</u>	<u>5,044,906</u>
Restricted funds					
BP Tank Restoration Fund	352	-	-	-	352
Charwelton Restoration	50,030	-	(8,500)	-	41,530
Gazebo fund	92	-	-	-	92
Turntable fund	17,730	74,278	(27,392)	-	64,616
	<u>68,204</u>	<u>74,278</u>	<u>(35,892)</u>	<u>-</u>	<u>106,590</u>
Total of funds	<u>4,339,860</u>	<u>939,943</u>	<u>(128,307)</u>	<u>-</u>	<u>5,151,496</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 2021

18. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2020 £	Income £	Expenditure £	Balance at 31 December 2020 £
General funds				
General Funds - all funds	3,730,771	598,035	(57,288)	4,271,518
Minority interest	141	(3)	-	138
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>3,759,382</u>	<u>754,655</u>	<u>(174,177)</u>	<u>4,339,860</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	4,388,526	-	4,388,526
Fixed asset investments	2,000	-	2,000
Current assets	663,814	106,590	770,404
Creditors due within one year	(9,432)	-	(9,432)
Difference	(2)	-	(2)
	<u>5,044,906</u>	<u>106,590</u>	<u>5,151,496</u>

ROTHER VALLEY RAILWAY HERITAGE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	3,718,453	-	3,718,451
Fixed asset investments	2,000	-	2,000
Current assets	605,512	68,204	673,713
Creditors due within one year	(54,309)	-	(54,304)
	<u>4,271,656</u>	<u>68,204</u>	<u>4,339,860</u>

20. CAPITAL COMMITMENTS

At 31 December 2021 the group and charity had capital commitments as follows:

	<u>Group</u>		<u>Charity</u>	
	2021 £	2020 £	2021 £	2020 £
Contracted for but not provided in these financial statements	<u>106,390</u>	<u>73,887</u>	<u>106,390</u>	<u>73,887</u>

ROTHER VALLEY RAILWAY HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

21. RELATED PARTY TRANSACTIONS

During the year Rother Valley Railway Heritage Trust gave grants to Rother Valley Railway Limited totalling £792,500 (2020- £543,000) in relation to various construction projects on reconstruction of the Rother Valley Railway. As at 31 December 2021 £nil (2020 - £nil) was owed to Rother Valley Railway Limited.

During the year rent of £1 (2020 - £1) was paid by Rother Valley Railway Limited to Rother Valley Railway Heritage Trust.

During the year consultancy services of £19,240 (2020 - £17,819) 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 2021 £nil (2020 - £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.

22. 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 2021	£ 4,003,390
Total liabilities as at 31 December 2021	£ 3,998,932
Total equity as at 31 December 2021	£ 4,458
Turnover for the year ended 31 December 2021	£ 119,172
Expenditure for the year ended 31 December 2021	£ 122,384
Loss for the year ended 31 December 2021	£ (3,212)