

**ROTHER VALLEY RAILWAY HERITAGE TRUST**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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## **ROTHER VALLEY RAILWAY HERITAGE TRUST**

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## ROTHER VALLEY RAILWAY HERITAGE TRUST

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### REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2022

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<b>Trustees</b>	Mr Gardner Crawley BSc(Eng) FICE (Chairman) Mr David Felton FCA Mr Michael Hart OBE Mr Graham Peters BSc DL (resigned 7 February 2022) Mr Richard Broyd OBE Mr David Keay CEng, FIMechE, FIET Mr David Slack FRICS, FIAgrM, MRAC, BEM Dr Stephen Murfitt LLB, LLM, PhD (appointed 16 May 2022)
<b>Charity registered number</b>	1088452
<b>Principal office</b>	Robertsbridge Junction Station Station Road Robertsbridge East Sussex TN32 5DG
<b>Independent auditor</b>	Crowe U.K. LLP Riverside House 40 - 46 High Street Maidstone Kent ME14 1JH
<b>Bankers</b>	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ

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## ROTHER VALLEY RAILWAY HERITAGE TRUST

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### TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 January 2022 to 31 December 2022. 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 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 gave grants totalling £385,000 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 refurbishment of the turntable at Hither Green MPD, donated to the Trust, for installation and reuse at Robertsbridge Junction Station, for the costs of fabricating a new boiler for Manning Wardle steam locomotive "Charwelton" and for the purchase of additional shares in the 4253 Locomotive Company Ltd, a steam locomotive for eventual use on the completed railway.

##### **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.

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## ROTHER VALLEY RAILWAY HERITAGE TRUST

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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#### Achievements and performance (continued)

##### 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;
- \* 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 reconstruction of the remaining unrebuilt section of the railway is £6M and the charity continues to seek funding to enable this work to be completed.

The charity's free reserves as at 31 December 2022 were £353,673 (2021 - £641,006), the free reserves being defined by the Charity Commission as unrestricted reserves less the fixed assets needed to undertake the objectives of the charity.

On the 9th May 2023, the Department for Transport granted the application by the Rother Valley Railway Ltd for a Transport & Works Act Order which gives the necessary powers to complete the reconstruction of the railway between Bodiam and Robertsbridge in East Sussex.

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## **ROTHER VALLEY RAILWAY HERITAGE TRUST**

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### **TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **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.

##### **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.

#### **Statement of Trustees' responsibilities**

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 Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity 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 Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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ROTHER VALLEY RAILWAY HERITAGE TRUST

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TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022

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Approved by order of the 6.10.23 members of the board of Trustees on  
and signed on their behalf by:



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Mr David Felton FCA

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## ROTHER VALLEY RAILWAY HERITAGE TRUST

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

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#### 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 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity's affairs as at 31 December 2022 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 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 charity'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.



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## ROTHER VALLEY RAILWAY HERITAGE TRUST

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROTHER VALLEY RAILWAY HERITAGE TRUST (CONTINUED)

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#### 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.

#### 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 are responsible for the preparation of the financial statements which 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.

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## ROTHER VALLEY RAILWAY HERITAGE TRUST

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROTHER VALLEY RAILWAY HERITAGE TRUST (CONTINUED)

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#### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 152 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

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## ROTHER VALLEY RAILWAY HERITAGE TRUST

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROTHER VALLEY RAILWAY HERITAGE TRUST (CONTINUED)

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#### 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.

*Crowe U.K. LLP*

#### **Crowe U.K. LLP**

Ian Weekes

Riverside House

40 - 46 High Street

Maidstone

Kent

ME14 1JH

Date: 11 October 2023

Crowe U.K. LLP are eligible to act as auditors 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 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Income from:</b>					
Donations and legacies	3	11,054	6,250	17,304	932,460
Other trading activities	4	10,550	-	10,550	7,440
Investments	5	1,306	-	1,306	43
<b>Total income</b>		<b>22,910</b>	<b>6,250</b>	<b>29,160</b>	<b>939,943</b>
<b>Expenditure on:</b>					
Charitable activities	6	33,828	112,488	146,316	128,307
<b>Total expenditure</b>		<b>33,828</b>	<b>112,488</b>	<b>146,316</b>	<b>128,307</b>
<b>Net movement in funds</b>		<b>(10,918)</b>	<b>(106,238)</b>	<b>(117,156)</b>	<b>811,636</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		5,044,906	106,590	5,151,496	4,339,860
Net expenditure attributable to the parent charity		(10,993)	(106,238)	(117,231)	811,669
		<b>5,033,913</b>	<b>352</b>	<b>5,034,265</b>	<b>5,151,529</b>
Net income attributable to non-controlling interests		75	-	75	(33)
<b>Total funds carried forward</b>		<b>5,033,988</b>	<b>352</b>	<b>5,034,340</b>	<b>5,151,496</b>

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 13 to 29 form part of these financial statements.

# ROTHER VALLEY RAILWAY HERITAGE TRUST

## CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	10	4,672,131	4,388,524
Investments	11	13,250	2,000
		<u>4,685,381</u>	<u>4,390,524</u>
<b>Current assets</b>			
Debtors	12	30,209	407,269
Cash at bank and in hand		328,018	363,136
		<u>358,227</u>	<u>770,405</u>
Creditors: amounts falling due within one year	13	(9,268)	(9,433)
<b>Net current assets</b>		<u>348,959</u>	<u>760,972</u>
<b>Total assets less current liabilities</b>		<u>5,034,340</u>	<u>5,151,496</u>
<b>Net assets excluding pension asset</b>		<u>5,034,340</u>	<u>5,151,496</u>
<b>Total net assets</b>		<u>5,034,340</u>	<u>5,151,496</u>
<b>Charity funds</b>			
Restricted funds	15	352	106,590
Unrestricted funds	15	5,033,742	5,044,735
<b>Total funds</b>		<u>5,034,094</u>	<u>5,151,325</u>
<b>Non-controlling interests</b>		<u>246</u>	<u>171</u>
		<u>5,034,340</u>	<u>5,151,496</u>

The financial statements were approved and authorised for issue by the Trustees on 6.10.2023 and signed on their behalf by:



Mr David Felton FCA

The notes on pages 13 to 29 form part of these financial statements.

# ROTHER VALLEY RAILWAY HERITAGE TRUST

## CHARITY BALANCE SHEET AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	10	441,774	441,774
Investments	11	37,749	37,749
		<u>479,523</u>	<u>479,523</u>
<b>Current assets</b>			
Debtors	12	-	362,308
Cash at bank and in hand		321,976	353,239
		<u>321,976</u>	<u>715,547</u>
Creditors: amounts falling due within one year	13	(5,700)	(5,700)
<b>Net current assets</b>		<u>316,276</u>	<u>709,847</u>
<b>Total assets less current liabilities</b>		<u>795,799</u>	<u>1,189,370</u>
<b>Net assets excluding pension asset</b>		<u>795,799</u>	<u>1,189,370</u>
<b>Total net assets</b>		<u>795,799</u>	<u>1,189,370</u>
<b>Charity funds</b>			
Restricted funds	15	352	106,590
Unrestricted funds	15	795,447	1,082,780
<b>Total funds</b>		<u>795,799</u>	<u>1,189,370</u>

The financial statements were approved and authorised for issue by the Trustees on 6.10.23 and signed on their behalf by:



Mr David Felton FCA

The notes on pages 13 to 29 form part of these financial statements.

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## ROTHER VALLEY RAILWAY HERITAGE TRUST

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1. 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

#### 2. Accounting policies

##### 2.1 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 deficit of £393,571 (2021 - surplus of £81,494).

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.

##### 2.2 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.

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## ROTHER VALLEY RAILWAY HERITAGE TRUST

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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## 2. Accounting policies (continued)

### 2.3 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.

### 2.4 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.

### 2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.



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## ROTHER VALLEY RAILWAY HERITAGE TRUST

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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## 2. Accounting policies (continued)

### 2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £50 or more 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 and fittings	- 20% straight line
Equipment	- 25% straight line
Rolling stock	- 5%/10% straight line

### 2.7 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.

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

### 2.8 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.

### 2.9 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.

### 2.10 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.

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## ROTHER VALLEY RAILWAY HERITAGE TRUST

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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## 2. Accounting policies (continued)

### 2.11 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

### 2.12 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 Group 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 Group 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.

### 2.13 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.

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**ROTHER VALLEY RAILWAY HERITAGE TRUST**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**3. Income from donations and legacies**

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Donations	11,054	6,250	17,304
	<u>11,054</u>	<u>6,250</u>	<u>17,304</u>
	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Donations	858,182	74,278	932,460
	<u>858,182</u>	<u>74,278</u>	<u>932,460</u>

**4. Income from other trading activities**

**Income from fundraising events**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Scrap sales	1,645	1,645
Rent received	8,905	8,905
	<u>10,550</u>	<u>10,550</u>
	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Scrap sales	89	89
Rent received	7,351	7,351
	<u>7,440</u>	<u>7,440</u>

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**ROTHER VALLEY RAILWAY HERITAGE TRUST**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**5. Investment income**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Interest receivable	1,306	1,306

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Interest receivable	43	43

**6. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Total 2022 £</b>
Charitable activities	33,828	112,488	146,316

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total 2021 £</i>
Charitable activities	92,415	35,892	128,307

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**ROTHER VALLEY RAILWAY HERITAGE TRUST**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**7. Analysis of expenditure by activities**

	<b>Direct costs 2022 £</b>	<b>Support costs 2022 £</b>	<b>Total funds 2022 £</b>
Summary of expense type	121,235	25,081	<b>146,316</b>

	<i>Direct costs 2021 £</i>	<i>Support costs 2021 £</i>	<i>Total funds 2021 £</i>
Summary of expense type	110,155	18,152	128,307

**Analysis of direct costs**

	<b>Total funds 2022 £</b>	<i>Total funds 2021 £</i>
Tools and general consumables	<b>12,089</b>	1,138
Rolling stock restoration	<b>480</b>	2,184
Repairs and maintenance	<b>1,275</b>	1,109
Diesel	<b>15</b>	10
Depreciation	<b>101,826</b>	100,014
Governance costs	<b>5,550</b>	5,700
<b>Total 2022</b>	<b>121,235</b>	110,155

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ROTHER VALLEY RAILWAY HERITAGE TRUST

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**7. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Total funds 2022 £</b>	<i>Total funds 2021 £</i>
Rent	6,072	5,001
Insurance	5,081	5,027
Subscription	260	260
Legal & Professional	803	13
Forestry & Gardening	5,082	1,097
Electricity & Heating Gas	3,469	1,760
Telephone & Broadband	792	711
Water	170	350
Waste collection	1,036	898
Bank charges	169	339
Health & Safety	15	175
Cleaning & Janitorial	93	244
Website charges	374	-
Sundry expenses	1,665	2,277
<b>Total 2022</b>	<b>25,081</b>	<b>18,152</b>

**8. Auditor's remuneration**

The auditor's remuneration amounts to an auditor fee of £5,550 (2021 - £5,700).

**9. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 December 2022, no Trustee expenses have been incurred (2021 - £NIL).

ROTHER VALLEY RAILWAY HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

10. Tangible fixed assets

Group

	Permanent way £	Building and structures £	Land £	Fixtures, fittings and equipment £	Rolling stock £	Total £
<b>Cost or valuation</b>						
At 1 January 2022	4,180,660	127,454	441,774	133,794	220,424	5,104,106
Additions	160,634	-	-	167,986	56,811	385,431
Disposals	-	-	-	(360)	-	(360)
At 31 December 2022	<u>4,341,294</u>	<u>127,454</u>	<u>441,774</u>	<u>301,420</u>	<u>277,235</u>	<u>5,489,177</u>
<b>Depreciation</b>						
At 1 January 2022	555,420	62,168	-	16,412	81,582	715,582
Charge for the year	86,835	11,113	-	378	3,500	101,826
On disposals	-	-	-	(360)	-	(360)
At 31 December 2022	<u>642,255</u>	<u>73,281</u>	<u>-</u>	<u>16,430</u>	<u>85,082</u>	<u>817,048</u>
<b>Net book value</b>						
At 31 December 2022	<u>3,699,039</u>	<u>54,173</u>	<u>441,774</u>	<u>284,990</u>	<u>192,153</u>	<u>4,672,129</u>
At 31 December 2021	<u>3,625,240</u>	<u>65,286</u>	<u>441,774</u>	<u>117,382</u>	<u>138,842</u>	<u>4,388,524</u>

Charity

	Land £
<b>Cost or valuation</b>	
At 1 January 2022	441,774
At 31 December 2022	<u>441,774</u>
<b>Net book value</b>	
At 31 December 2022	<u>441,774</u>
At 31 December 2021	<u>441,774</u>

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ROTHER VALLEY RAILWAY HERITAGE TRUST

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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11. Fixed asset investments

Group	Unlisted investments £
<b>Cost or valuation</b>	
At 1 January 2022	2,000
Additions	11,250
At 31 December 2022	<u>13,250</u>
<b>Net book value</b>	
At 31 December 2022	<u>13,250</u>
At 31 December 2021	<u>2,000</u>

Unlisted investments represent Rother Valley Railway Limited's 53 ordinary shares (nominal value of £250 each) of The 4253 Locomotive Co Limited. 45 of these shares were acquired in the year. This represents less than 4% of the share capital.

Charity

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

Charity	Trade investments £
<b>Cost or valuation</b>	
At 31 December 2022	<u>37,749</u>
<b>Net book value</b>	
At 31 December 2022	<u>37,749</u>
At 31 December 2021	<u>37,749</u>



# ROTHER VALLEY RAILWAY HERITAGE TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### 12. Debtors

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Charity 2022 £</b>	<b>Charity 2021 £</b>
<b>Due within one year</b>				
Other debtors	19,224	39,814	-	-
Prepayments and accrued income	10,985	367,455	-	362,308
	<u>30,209</u>	<u>407,269</u>	<u>-</u>	<u>362,308</u>

### 13. Creditors: Amounts falling due within one year

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Charity 2022 £</b>	<b>Charity 2021 £</b>
Other creditors	3,568	3,655	-	-
Accruals and deferred income	5,700	5,778	5,700	5,700
	<u>9,268</u>	<u>9,433</u>	<u>5,700</u>	<u>5,700</u>

### 14. Financial instruments

	<b>Group 2022 £</b>	<b>Group 2021 £</b>
<b>Financial assets</b>		
Financial assets measured at amortised cost	<u>358,225</u>	<u>770,405</u>
	<b>Group 2022 £</b>	<b>Group 2021 £</b>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(9,268)</u>	<u>(9,433)</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.

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**ROTHER VALLEY RAILWAY HERITAGE TRUST**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**15. Statement of funds**

**Statement of funds - current year**

	Balance at 1 January 2022 £	Income £	Expenditure £	Balance at 31 December 2022 £
<b>Unrestricted funds</b>				
General Funds - all funds	5,044,735	22,835	(33,828)	5,033,742
Minority interest	171	75	-	246
	<u>5,044,906</u>	<u>22,910</u>	<u>(33,828)</u>	<u>5,033,988</u>
<b>Restricted funds</b>				
BP Tank Restoration Fund	352	-	-	352
Charwelton Restoration	41,530	-	(41,530)	-
Gazebo Fund	92	-	(92)	-
Turntable Fund	64,616	-	(64,616)	-
Shares - 4253 Locomotive Company	-	6,250	(6,250)	-
	<u>106,590</u>	<u>6,250</u>	<u>(112,488)</u>	<u>352</u>
<b>Total of funds</b>	<u><u>5,151,496</u></u>	<u><u>29,160</u></u>	<u><u>(146,316)</u></u>	<u><u>5,034,340</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.

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**ROTHER VALLEY RAILWAY HERITAGE TRUST**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**15. Statement of funds (continued)**

**Statement of funds - prior year**

	<i>Balance at 1 January 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 December 2021 £</i>
<b>Unrestricted funds</b>				
General Funds - all funds	4,271,656	865,665	(92,415)	5,044,906
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Restricted funds</b>				
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
	<hr/>	<hr/>	<hr/>	<hr/>
	68,204	74,278	(35,892)	106,590
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total of funds</b>	<hr/> <b>4,339,860</b> <hr/>	<hr/> <b>939,943</b> <hr/>	<hr/> <b>(128,307)</b> <hr/>	<hr/> <b>5,151,496</b> <hr/>

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**ROTHER VALLEY RAILWAY HERITAGE TRUST**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**16. Summary of funds**

**Summary of funds - current year**

	<b>Balance at 1 January 2022 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Balance at 31 December 2022 £</b>
General funds	5,044,906	22,910	(33,828)	5,033,988
Restricted funds	106,590	6,250	(112,488)	352
	<u>5,151,496</u>	<u>29,160</u>	<u>(146,316)</u>	<u>5,034,340</u>

**Summary of funds - prior year**

	<i>Balance at 1 January 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 December 2021 £</i>
General funds	4,271,656	865,665	(92,415)	5,044,906
Restricted funds	68,204	74,278	(35,892)	106,590
	<u>4,339,860</u>	<u>939,943</u>	<u>(128,307)</u>	<u>5,151,496</u>

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**ROTHER VALLEY RAILWAY HERITAGE TRUST**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**17. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2022 £</b>	<b>Restricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Tangible fixed assets	4,672,131	-	<b>4,672,131</b>
Fixed asset investments	13,250	-	<b>13,250</b>
Current assets	357,875	352	<b>358,227</b>
Creditors due within one year	(9,268)	-	<b>(9,268)</b>
<b>Total</b>	<b>5,033,988</b>	<b>352</b>	<b>5,034,340</b>

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	4,388,524	-	4,388,524
Fixed asset investments	2,000	-	2,000
Current assets	663,815	106,590	770,405
Creditors due within one year	(9,433)	-	(9,433)
<b>Total</b>	<b>5,044,906</b>	<b>106,590</b>	<b>5,151,496</b>

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## ROTHER VALLEY RAILWAY HERITAGE TRUST

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 18. Capital commitments

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Charity 2022 £</b>	<b>Charity 2021 £</b>
Contracted for but not provided in these financial statements	<b>7,527</b>	<b>106,390</b>	<b>7,527</b>	<b>106,390</b>

#### 19. Related party transactions

During the year Rother Valley Railway Heritage Trust gave grants to Rother Valley Railway Limited totalling £385,000 (2021 - £792,500) in relation to various construction projects on reconstruction of the Rother Valley Railway. As at 31 December 2022 £Nil (2021 - £Nil) was owed to Rother Valley Railway Limited.

During the year rent of £1 (2021 - £1) was paid by Rother Valley Railway Limited to Rother Valley Railway Heritage Trust.

During the year consultancy services of £Nil (2021 - £19,240) were received from David Gillett Consulting Limited, a company of which D Gillett is a director of and was also a director of Rother Valley Railway Limited. As at 31 December 2022 £Nil (2021 - £Nil) was owed by Rother Valley Railway Limited. D Gillett resigned as a director of Rother Valley Railway Limited on the 11th October 2021.

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

#### 20. Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

<b>Name</b>	<b>Company number</b>	<b>Registered office or principal place of business</b>	<b>Principal activity</b>
Rother Valley Railway Limited	2613553	Robertsbridge Junction Station Station Road Robertsbridge East Sussex TN32 5DG	Reconstruction of the Kent & East Sussex Railway from Bodiam to Robertsbridge in East Sussex

#### Holding

99%

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**ROTHER VALLEY RAILWAY HERITAGE TRUST**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**20. Principal subsidiaries (continued)**

The financial results of the subsidiary for the year were:

<b>Name</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Profit/(Loss) / Surplus/ (Deficit) for the year £</b>	<b>Net assets £</b>
Rother Valley Railway Limited	137,582	(130,080)	7,502	11,960