

**Charity Registration No. 263617**

**Company Registration No. 1038056 (England and Wales)**

**NENE VALLEY RAILWAY LIMITED  
AND ITS SUBSIDIARY**

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2021**

# NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Patron of Nene Valley Railway</b>	HRH The Duke of Gloucester	
<b>Honorary President</b>	Lord B S Mawhinney Kt. (deceased)	
<b>Honorary Vice President</b>	Cllr C Swift O.B.E	
<b>Trustees - Elected</b>	K J Parkinson P Marshall S J Bell M A Kerfoot (Chair) S L Derry T J Jennings	
<b>Trustees - Appointed</b>	A L Oates P Corrigan S A Costello R J Dixon E A Walters	<i>(resigned 10 December 2020)</i> <i>(resigned 18 October 2020)</i>  <i>(appointed 5 November 2020)</i> <i>(appointed 6 May 2021)</i>
<b>Key management personnel</b>	S Piggott K Shaw	
<b>Secretary</b>	N McGregor	
<b>Charity number</b>	263617	
<b>Company number</b>	1038056	
<b>Museum number</b>	1636	
<b>Principal address</b>	Wansford Station Old North Road Stibbington Peterborough PE8 6LR	
<b>Registered office</b>	Wansford Station Old North Road Stibbington Peterborough PE8 6LR	

# **NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Auditors</b>	Stephenson Smart & Co 36 Tyndall Court Commerce Road Lynchwood Peterborough PE2 6LR
<b>Bankers</b>	National Westminster Bank plc PO Box 15 Cathedral Square Peterborough Cambridgeshire PE1 1HW
<b>Solicitors</b>	In the process of appointment
<b>Investment advisors</b>	Ravenscroft The Singing Men's Chambers 19 Minister Precincts Peterborough PE1 1XX
<b>Website</b>	<a href="http://www.nvr.org.uk">www.nvr.org.uk</a>

# **NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY**

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# NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

## CHAIRMAN'S REPORT

**FOR THE YEAR ENDED 31 JANUARY 2021**

2020/21 is likely to go down as one of the most challenging years in modern times across all sectors in society and of course it was no different for the railway. We set out with ambitious plans for the coming 12 months with the aim of running some significant events and developing the railway commercially. As spring approached we started hearing news stories about a virus in the far east and like most people we didn't really think anything of it. By the time we got to March however things began to change rapidly. Then in March the Prime Minister spoke to the nation and gave us all a very simple instruction – we must stay at home.

The railway responded immediately convening an emergency board meeting to consider our options. News of the governments furlough scheme was announced, and this gave us a lifeline enabling us to place virtually all of the paid staff on furlough, retaining only the Acting General Manager and Finance Manager to stay at the helm. The board released some money from the railways reserves and cash flows and funding sources were placed under constant review. All other activity ceased as we entered the first lockdown. Later in the year we made the difficult but necessary decision to make some roles redundant as we looked to reduce our fixed costs.

It was some months before we were able to run trains again and when we could return we had to operate under tight covid restrictions. This meant implementing social distancing measures limiting capacity on the trains and requiring tickets to be pre-booked. A rigorous process to ensure trains were cleaned between services was implemented and PPE provided for all volunteers.

As winter approached, we looked forward to a successful Santa Steam season to help us get back on our feet. We began optimistically and as Wansford is in Huntingdonshire we avoided some of the tighter COVID-19 restrictions that applied in other areas including Peterborough. Sadly this offered only brief respite and as COVID-19 infections soared again we had to cancel the Santa programme in mid-December and once again go into lockdown.

Throughout this year, despite these huge challenges, the railway has shown extraordinary resilience. I want to pay tribute to everyone that has contributed to this, it has been an incredible team effort. We rely on a small number of paid staff and a large number of volunteers. Of course some volunteers have chosen not to return to the railway, this is to be expected and it will take time to fully recover our numbers but notwithstanding this it has been little short of astonishing to see so many people coming back to support us.

We left the year bloodied but unbowed. The measures we took to protect the railway and ensure our future have been successful and provide us with a platform to start to build again. As I write we are still not free of the virus, and it may be some time before we return to something like normality. The passion and dedication from so many that have seen us through the last year give me every confidence however that we have what we need to weather future storms.

M Kerfoot

Dated .....



8/10/21

## NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JANUARY 2021

The trustees present their report and financial statements for the year ended 31 January 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's governing document, the Companies Act 2006 and 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)' (effective 1 January 2019).

#### Our Mission

Nene Valley Railway Limited is a registered charity whose formal charitable purpose is:

'to promote the permanent preservation of railway lines, engines and rolling stock and equipment, and items of general railway interest of actual historic or scientific importance and education value, and to exhibit to members of the public interested in engines owned by the association any such engines, rolling stock, equipment and items as aforesaid by means of temporary or permanent exhibitions and to demonstrate and assist in demonstrating to such persons the working and operations of such engines, rolling stock and items of static or mobile displays'.

#### Status of the Charity

Peterborough Railway Society was incorporated as a company limited by guarantee in 1972 and subsequently acquired charitable status. The company name was changed to Nene Valley Railway Limited in 1984. The charity has no share capital and the liability of each member, in the event of winding up, is limited to £1. The governing documents are the Memorandum and Articles of Association of the company. Anyone may become a member by payment of the appropriate annual subscription.

The company has a wholly owned subsidiary Nene Valley Railway Enterprises Limited which is not a charity and has its own board and accounts. Its profits are gift aided to Nene Valley Railway Limited.

The charity can have up to nine trustees. The articles prescribe that six are elected by the members with up to three additional trustees on the basis that these persons have the skills required to ensure that the trustees as a body have in their opinion adequate financial, legal, business, charity and other professional skills.

#### The trustees serving during 2020 - 2021 and the meetings they attended were:

	Actual	Possible
Keith Parkinson ( <i>Chair to 10 December 2020</i> )	12	12
Mike Kerfoot ( <i>Chair from 10 December 2020</i> )	12	12
Sarah Derry	10	12
Tom Jennings	11	12
Stan Bell	12	12
Philip Marshall	11	12
Richard Dixon ( <i>appointed 5 November 2020</i> )	2	2
Stuart Costello	9	12
Peter Corrigan ( <i>resigned 18 October 2020</i> )	1	9
Adrian Oates ( <i>resigned 10 December 2020</i> )	6	10

## **NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY**

### **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JANUARY 2021**

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#### **Governance and Management**

The board normally meet every month of the year and subgroups of board members meet from time to time as business requires. The general manager is appointed by the trustees to carry out the policies laid down by the board and to manage the day to day operations of the charity.

The trustees are appointed by the subscribing members of the charitable company at the annual general meeting. All adult members have one vote and should the number of nominations to become trustees exceed the vacancies, a secret ballot is held. All trustees are subscribing members and must be nominated by two people. The initial appointment is for a three year term.

None of the trustees have any beneficial interest in the charitable company. All of the trustees are members of the charitable company and guarantee to contribute £1 in the event of a winding up.

#### **Health and Safety (H&S)**

Although the operating year was condensed by the COVID-19 pandemic and the enforced closures of the railway, both staff and volunteers continued to follow the established yellow form incident reporting procedure when needed. Understandably much focus was on developing specific COVID-19 risk assessments and updating them as needed and all volunteers signed a COVID-19 return-to-work form as the railway reopened in the summer. We recognise the efforts of Acting General Manager Kim Shaw who both managed and monitored COVID-19 compliance throughout the year.

As the railway re-opened we followed the ORR and Heritage Railway Association guidance with infrastructure and rolling stock condition assessments supported by volunteer competence reassessments where needed.

No serious accidents were reported during the year in review however there was one operational incident which required formal investigation as well as some lesser incidents. Due to house relocation, our H&S Advisor Peter How stepped down from his role as the calendar year ended and we remain grateful to Peter for the improvements to our safety systems during his term especially with regard to the introduction and adoption of HOPS.

#### **Financial Review**

A year that was dominated by the pandemic, this had a significant impact on the railways business. Charitable Activity income was down from just over £1.2m the previous year to just under £250k and a total income of £734k. The railway responded to this with a significant reduction in costs from just over £1.5m the previous year to a little over £800k. In addition, alternative sources of income were identified including the government's furlough scheme alongside various fundraising workstreams that contributed additional income. A significant grant administered by the Arts Council was disappointingly not secured in the Autumn, however a second opportunity to apply for this fund arose after Christmas and we were pleased to be awarded a substantial sum in the spring. This will be recorded in next year's accounts.

As a result of all of this, the railway made a loss across the year which was to be expected given the headwinds we faced. Losses however were mitigated and the charity is well positioned to move forward once we begin to emerge from the pandemic.

## **NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY**

### **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JANUARY 2021**

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#### **Infrastructure**

As in most areas, the year was severely impacted by the COVID-19 crisis. Infrastructure paid staff were furloughed between April and July 2020 and only returned to work under a strict risk assessment to minimise infection risk that applied to both volunteers and employees.

On return to work the focus of the track and bridges department was to undertake a full assessment of the track and lineside condition after some 6 months in which no trains had run and no regular inspections had been carried out. Fortunately, most parts of the line were found to be in a serviceable state, with the application of temporary speed limits in two places. A major issue was the incursion of lineside vegetation, affecting sighting distances in many places and encroaching so far as to be scratching passing trains. This is simply dealt with but is time consuming and the re-establishment of a specialist lineside team will be a focus once the pandemic crisis permits. Throughout the year the regular maintenance chore of minor fixes applied to ballast, sleepers, rail and fishplates as needed to maintain the track suitable for the general 25mph running has continued. This included work in the tunnel, where several instances of damp-induced pumping sleepers were packed using new stone-blowing equipment. The TASC machine returned to service in September and had proved its value as a lifting and transport vehicle.

In the car park at Wansford, containers and portacabins have been deployed to accommodate shops, both NVR-owned and third-party. It is hoped that these will provide additional revenue for the NVR by direct and indirect means – the increased time spent by visitors at Wansford will encourage custom for NVR Enterprises (shop & café). Of course, the loss of parking space is regretted and will undoubtedly cause problems at busy times - but that is part of a larger problem and means of increasing space at Wansford are under consideration.

The construction of the miniature railway at Wansford has continued, a small team taking advantage of the closed site to lay out the track bed and clear space for and install a loco shed at the west end.

#### **Locomotives and Rolling Stock**

There was less activity than we would normally see due to the pandemic. Visits from guest locomotives had to be cancelled due to the lockdown and this included both Royal Scot and Tornado.

We started the year by saying goodbye to Ian Riley owned Black 5 44871 that had been with us to support the previous year's Santa season. Pannier Tank 4612 joined us for a period in the spring before returning to the Bodmin and Wenford railway in Cornwall.

Popular attraction, Hudswell Clarke 0-6-0T 'Thomas' was in service all year and Bullied Pacific 34081, '92 Squadron' completed a significant number of running days before failing in December. We welcomed into traffic Polish 0-8-0T loco following its extensive overhaul and the locomotive was deployed on our Santa services. Also providing an additional interest was Aveling and Porter traction engine loco 'Blue Circle'.

Diesel traction was provided by the two class 14 locomotives owned by the Iron and Steel Traction Group and this group also provided the two operational sentinel diesel shunters at Wansford. In addition we had Peak locomotive 45041 Royal Tank Regiment on loan from the Peak Locomotive Company for the whole year. Privately owned Swedish railcar 1212 continued to be available for quieter days and in the autumn we had a visiting Class 66 off the network which provided a busy day for fans of modern traction.

## **NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY**

### **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JANUARY 2021**

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#### **Locomotives and Rolling Stock (continued)**

Work on carriages and wagons was curtailed however towards the end of the year progress was made on the repainting of the roofs of the Mark 1 carriage stock. Work was also started on the extensive refurbishment of the continental restaurant car at Overton. The wagon group continued their restorations when able to, completing the Civil Engineering brakevan and continuing to work on a number of vans.

#### **Passenger Numbers**

Not unexpectedly overall passenger numbers were down significantly this year from 68,000 in the previous year to around 12,000 in 2020/21.

#### **Operations Department**

Again a quieter year and the opportunity to complete recruitment, training and progression of operations staff was limited.

Notwithstanding this some training sessions were completed remotely over Zoom including for signallers. In addition all Operations staff were reassessed when the railway re commenced running in the late summer.

Behind the scenes the Operations SMS was uploaded into the HOPS platform and a large number of Operations instructions were rewritten and issued. This involved a significant workload and brought up to date many documents that dated back over a number of years.

Work commenced on the update of the rule book with a team representing different areas of the railway collaborating remotely to ensure all areas are covered. The work is ongoing into the current year.

#### **Signal and Telecoms (S&T)**

Although the year started with starting the reconnection and then snagging of the bracket signals at Wansford following their overhaul by Collis Engineering, in March much of the signalling system was switched off or disconnected as the railway was closed. Essential systems were left energised and monitored as part of the security patrols which took place during the lockdown period in the first half of the year.

As we became aware of the opportunities to begin to prepare the railway for re-opening, the S&T took the opportunity to replace defective signalling cables in Wansford cutting which has vastly improved reliability of some circuits since. All signalling was inspected and checked for safe operation before passenger services re-commenced. Some examples of vandalism were found and corrected.

Before the Christmas lockdown closed the railway again, we joined forces with the Permanent Way department to support track and point repairs at Orton Mere.



## **NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY**

### **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JANUARY 2021**

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#### **Membership, staff and volunteering**

Membership has fallen this year from 989 memberships and 1,111 actual members in the previous year to 739 memberships and 941 actual members. The difference between memberships and actual members is because a membership may be joint and include more than one member.

Whilst it is disappointing that membership has fallen it was not completely unexpected given the circumstances around the pandemic.

The process for renewing membership was improved this year when for the first time it became possible to renew online rather than by sending a cheque.

All members receive a copy of the quarterly Nene Steam magazine and after many years of outstanding service Brian White stepped down as editor. He was replaced by Iain McCall who has freshened up the look and presentation of the magazine.

#### **Fundraising**

With the loss of income that we suffered as a result of the pandemic the railway sought to support its finances through fundraising. An appeal was launched which asked for individuals to make donations to us either directly through the website or using a Virgin Money donation website. Gift aid was claimed on these contributions where applicable. This raised a significant sum of money and the railway is extremely grateful to all of those who contributed. Details are;

- Direct donation to the Nene Valley Railway appeal	£ 39,646
- Donations received via Virgin Money	£ 358
- Other local fundraising	£ 448

An appeal was launched to purchase and install a toilet block to provide a COVID-19 safe facility as the existing toilets at Wansford could not be made safe in light of the COVID-19 restrictions. Again we asked for individual donations and were also pleased to receive a grant from BGL group. Details are;

- Toilet appeal	£ 6,145
- BGL Grant	£ 3,750

In addition we applied to various schemes that were offering support to businesses and organisations during the pandemic and were pleased to receive the following;

- Heritage Lottery fund	£ 56,500
- Peterborough city council	£ 37,214

Fundraising remains central to our strategy in particular in the way we respond to the pandemic and ongoing we continue to seek further opportunities.

## **NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY**

### **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JANUARY 2021**

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#### **Summary**

2020/21 was an extremely challenging year driven by the COVID-19 pandemic, perhaps the most challenging in over 40-years of our existence. Despite this, it is a testament to the resilience of the organisation that we have weathered the storm and are in a good position to face the challenge of the year ahead. To achieve this required a huge team effort from all areas of the railway, trustees, managers, paid staff and our huge army of volunteers. I want to extend my sincere thanks to everyone that contributed to this effort or supported us in whatever way.

#### **Audit**

Each of the trustees have confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



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**M Kerfoot**

Chairman of the Trustees

Dated ..... 8/10/21 .....

## **NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 JANUARY 2021**

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The trustees who are also the directors of Nene Valley Railway Limited for the purposes of company law, are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year. 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 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.



# **NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY**

## **INDEPENDENT AUDITORS REPORT**

### **TO THE TRUSTEES OF NENE VALLEY RAILWAY LIMITED**

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#### **Opinion**

We have audited the financial statements of Nene Valley Railway Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 January 2021 which comprise the Group Statement of Financial Activities, the Group & Parent Charitable Company Balance Sheet's, the Group Cashflow Statement and the notes to the financial statements, 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 Parent charitable company's affairs as at 31 January 2021 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 and Parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 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.

## **NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY**

### **INDEPENDENT AUDITORS REPORT (CONTINUED) TO THE TRUSTEES OF NENE VALLEY RAILWAY LIMITED**

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#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustee's annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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**

In the light of our knowledge and understanding of the Group and Parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent charitable company; or
- the Parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustee's 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 statement of trustees' responsibilities, the trustees (who are also the directors of the charitable company for the purpose 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 Group's and Parent 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 Group or the Parent charitable company or to cease operations, or have no realistic alternative but to do so.

## **NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY**

### **INDEPENDENT AUDITORS REPORT (CONTINUED) TO THE TRUSTEES OF NENE VALLEY RAILWAY LIMITED**

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

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with this Act.

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:

- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- Assessing whether the judgements made in accounting estimates are indicative of a potential basis;
- Evaluating the rationale of any significant transactions that are unusual or outside the normal course of business;
- Analytical procedures are performed as well as substantive testing to identify any potential misstatement due to fraud; and
- The audit procedures would also involve being aware of any such items from reviewing minutes and third party communications and reports and discussions held with staff and management to obtain an understanding.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

## **NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY**

### **INDEPENDENT AUDITORS REPORT (CONTINUED) TO THE TRUSTEES OF NENE VALLEY RAILWAY LIMITED**

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#### **Use of our report**

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Stephenson Smart & Co**

Statutory Auditor

36 Tyndall Court

Commerce Road

Lynchwood

Peterborough

PE2 6LR

Date:

14 October 2021

Stephenson Smart & Co is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

# NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(including consolidated income and expenditure account)

**FOR THE YEAR ENDED 31 JANUARY 2021**

	Notes	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total 2021 £	Total 2020 £
<b>Income from:</b>							
Donations and other fund raising income	4	69,029	37,782	67,660	-	174,471	164,645
Incoming resources from charitable activities	5	247,897	-	-	-	247,897	1,200,286
Commercial trading operations and investment in trading subsidiary	3	51,154	-	-	-	51,154	286,055
Investments	6	187	-	8,808	-	8,995	11,902
Other income	7	251,600	-	-	-	251,600	-
<b>Total income and endowments</b>		<b>619,867</b>	<b>37,782</b>	<b>76,468</b>	<b>-</b>	<b>734,117</b>	<b>1,662,888</b>
<b>Expenditure on:</b>							
<u>Raising funds</u>							
Commercial trading operations and investment in trading subsidiary	8	42,124	-	-	-	42,124	216,310
Charitable activities	10	740,344	43,506	50,060	-	833,910	1,506,215
<b>Total resources expended</b>		<b>782,468</b>	<b>43,506</b>	<b>50,060</b>	<b>-</b>	<b>876,034</b>	<b>1,722,525</b>
Net gains/(losses) on investments	14	-	-	(23,049)	-	(23,049)	27,938
Net incoming/ (outgoing) resources before transfers		(162,601)	(5,724)	3,359	-	(164,966)	(31,699)
Gross transfers between funds		171,868	(92,853)	(79,015)	-	-	-
<b>Net movement in funds</b>		<b>9,267</b>	<b>(98,577)</b>	<b>(75,656)</b>	<b>-</b>	<b>(164,966)</b>	<b>(31,699)</b>
Fund balances at 1 February 2020		1,725,661	221,418	521,803	579	2,469,461	2,501,160
<b>Fund balances at 31 January 2021</b>		<b>1,734,928</b>	<b>122,841</b>	<b>446,147</b>	<b>579</b>	<b>2,304,495</b>	<b>2,469,461</b>

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

All income and expenditure derive from continuing activities.

# NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

## CONSOLIDATED BALANCE SHEET FOR THE YEAR ENDED 31 JANUARY 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	15	1,967,816		1,946,512	
Investments	17	285,084		373,679	
		<u>2,252,900</u>		<u>2,320,191</u>	
<b>Current assets</b>					
Stocks	19	54,379		49,020	
Debtors	20	16,481		81,290	
Cash at bank and in hand		<u>278,476</u>		<u>307,078</u>	
		349,336		437,388	
<b>Creditors: amounts falling due within one year</b>	21	(175,308)		(178,920)	
		<u></u>		<u></u>	
<b>Net current assets</b>		174,028		258,468	
<b>Total assets less current liabilities</b>		<u>2,426,928</u>		<u>2,578,659</u>	
<b>Creditors: amounts falling due after more than one year</b>	22	(122,433)		(109,198)	
<b>Net assets</b>		<u>2,304,495</u>		<u>2,469,461</u>	
<b>Capital funds</b>					
Endowment funds	26	579		579	
<b>Income funds</b>					
Restricted funds	28	446,147		521,803	
Unrestricted funds:					
Designated funds	27	122,841		221,418	
General unrestricted funds		<u>1,734,928</u>		<u>1,725,661</u>	
		<u>2,304,495</u>		<u>2,469,461</u>	

## **NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY**

### **CONSOLIDATED BALANCE SHEET (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021**

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The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 January 2021, although an audit has been carried out under section 151 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

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

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

The financial statements were approved by the board of directors and authorised for issue on .....8/10/21  
and are signed on its behalf by:



**M Kerfoot**  
**Trustee**

**Company Registration No. 1038056**

# NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

## CHARITY BALANCE SHEET

FOR THE YEAR ENDED 31 JANUARY 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	15	1,967,816		1,946,512	
Investments	17	285,184		373,779	
		<u>2,253,000</u>		<u>2,320,291</u>	
<b>Current assets</b>					
Stocks	19	36,183		18,838	
Debtors	20	69,728		96,268	
Cash at bank and in hand		<u>273,877</u>		<u>298,616</u>	
		379,788		413,722	
<b>Creditors: amounts falling due within one year</b>	21	(167,774)		(155,354)	
		<u></u>		<u></u>	
<b>Net current assets</b>		212,014		258,368	
<b>Total assets less current liabilities</b>		<u>2,465,014</u>		<u>2,578,659</u>	
<b>Creditors: amounts falling due after more than one year</b>	22	(122,433)		(109,198)	
<b>Net assets</b>		<u>2,342,581</u>		<u>2,469,461</u>	
<b>Capital funds</b>					
Endowment funds	26	579		579	
<b>Income funds</b>					
Restricted funds	28	446,147		521,803	
Unrestricted funds:					
Designated funds	27	122,841		221,418	
General unrestricted funds		1,773,014		1,725,661	
		<u>2,342,581</u>		<u>2,469,461</u>	

The net movement in funds for the year for the charity only was net deficit of £126,880 (2020: net deficit of £31,699). The charity's income was £696,447 (2020: £1,436,628) less expenditure of £800,278 (2020: £1,496,265) and net loss on investments of £23,049 (2020: net gain on investments £27,938).



## **NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY**

### **CHARITY BALANCE SHEET (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021**

---

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 January 2021, although an audit has been carried out under section 151 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

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

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

The financial statements were approved by the board of directors and authorised for issue on 8/10/21 and are signed on its behalf by:

  
.....  
**M Kerfoot**  
**Trustee**

**Company Registration No. 1038056**

# NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JANUARY 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flow from operating activities</b>	<b>34</b>		(54,500)		(3,035)
<b>Cash flow from investing activities</b>					
Purchase of tangible fixed assets		(56,582)		(56,805)	
Purchase of investments		(92,992)		(87,841)	
Proceeds on disposal of investments		158,538		86,845	
Interest received		8,995		11,902	
<b>Net cash flow from investing activities</b>			17,959		(45,899)
<b>Cash flow from financing activities</b>					
Interest paid		(30,211)		(31,642)	
New borrowings		50,000		112,000	
Repayment of borrowings		(11,813)		(43,061)	
<b>Net cash flow from financing activities</b>			7,976		37,297
<b>Net decrease in cash and cash equivalents</b>			(28,565)		(11,637)
Cash and cash equivalents at beginning of the year			307,041		318,678
<b>Cash and cash equivalents at end of the year</b>			<u>278,476</u>		<u>307,041</u>
<b>Relating to:</b>					
Bank balances and short term deposits			278,476		307,078
Bank overdrafts			-		(37)
			<u>278,476</u>		<u>307,041</u>

# **NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021**

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### **1 Accounting policies**

#### **Charity information**

Nene Valley Railway Limited is a private company limited by guarantee in England and Wales. The registered office is Wansford Station, Old North Road, Stibbington, Peterborough, PE8 6LR.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charitable company's governing document, the Companies Act 2006 and "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 (FRS 102)" (effective 1 January 2019). The charitable company is a Public Benefit Entity as defined by FRS 102.

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

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

#### **1.2 Going concern**

These financial statements are prepared on the going concern basis. The trustees have a reasonable expectation that the charity and its subsidiary will continue in operational existence for the foreseeable future and have considered a period of at least 12 months in making this assessment.

As a result of the coronavirus pandemic, the activities of the charity and its subsidiary were forced to be put on hold from Spring 2020. The trustees took steps to monitor and reduce costs where appropriate and received significant grant funding to manage the impact of the pandemic as well as taking advantage of the coronavirus job retention scheme.

Following the year end, the charity received a significant grant of approximately £480,000 that restored the reserves utilised to manage the impact of the pandemic as well as covering some of the costs in relation to re-opening the railway as restrictions eased. Work done through the pandemic to control costs has put the charity in a position where this grant has returned the finances to a level of stability that provides security in the short term to build activities to the previous level enjoyed before the pandemic but also provides confidence that further short term restrictions could be managed without creating significant doubt over the going concern assumption.

On this basis, no immediate concerns in relation to the charity or its subsidiary's long term future have been identified but this area continues to be monitored. The trustees are satisfied that the steps they have taken in the short term are appropriate and effective.

## **NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021**

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#### **1 Accounting policies (Continued)**

##### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

Restricted funds are subject to specific conditions by donors as to how they may be used. The details of the restricted funds are set out in the notes to the accounts.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charitable company.

##### **1.4 Incoming resources**

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Donations and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are capable of financial measurement.

Legacy income is recognised either by the charity being notified of an impending distribution or the legacy being received.

Endowment income is restricted.

The charity benefits from many hours and unclaimed out-of-pocket expenses contributed by a number of supporters. It would be impossible to place a value on all these gifts in kind for which the charity is extremely grateful.

Grant income is recognised in the year in which the grant is receivable.

Government grants relating to revenue are recognised as income over the periods when the related costs are incurred. This includes the Government Coronavirus Job Retention Scheme grant which is included as 'other income'.

Grants received from non-government sources are recognised under the performance model. Where there are no specific performance requirements the grants are recognised in the statement of comprehensive income when the proceeds are received or receivable. Where grant is received with specific performance requirements attached, it is recognised as a liability until the performance conditions are met and then it is recognised as turnover.

Income from driving courses is recognised when the income is receivable rather than when the course is booked, this is considered reasonable as the vouchers do not have an expiry date and in some instances have not been utilised.

Life membership subscriptions are released into income on a straight line basis at 8% per annum.

# NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

### 1 Accounting policies (Continued)

#### 1.5 Resources expended

Policy for recognition of liabilities is as soon as there is a legal or constructive obligation committing the charity to expenditure.

Recognition of the costs of generating funds is on an accruals basis, excluding VAT.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and included audit fees and costs linked to the strategic management of the charity.

Costs are allocated, where possible, directly to the activity. Where the cost is not directly attributable it is allocated by informed management's best estimate of the activities undertaken.

The charity has three main objectives and the premises and promotion costs have been allocated 1/3rd to each of the main objectives.

#### 1.6 Tangible fixed assets

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

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	Mobile classroom - 10 years straight line Bridge improvements - 20 years straight line
Plant and machinery	Straight line over 5 years
Track and ballast	1% reducing balance
Rolling stock and locomotives	No depreciation is charged on items where the cost of restoration has been charged against income. On restored locomotives where work has been capitalised, the depreciation is written off over 10 years straight line from the date of completion

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

The trustees consider that the freehold buildings are maintained in such a state of repair that their residual value is at least equal to their net book value. As a result the corresponding depreciation would not be material and therefore is not charged in the statement of financial activities.

Land at a value of £300,000 has not been depreciated.

# NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

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### **1 Accounting policies (Continued)**

#### **1.7 Fixed asset investments**

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

#### **1.8 Impairment of fixed assets**

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

#### **1.9 Stocks**

Stock is valued at the lower of cost and net realisable value.

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

#### **1.10 Cash and cash equivalents**

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

#### **1.11 Financial instruments**

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

Financial instruments are recognised when the charitable company becomes party to the contractual provisions of the instrument.

##### ***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

## NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

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#### **1 Accounting policies (Continued)**

##### **1.11 Financial instruments (continued)**

###### ***Basic financial liabilities***

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at cost using the effective interest method.

###### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

##### **1.12 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### **1.13 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

##### **1.14 Irrecoverable VAT**

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charges against the category of resources expended for which it was incurred.

##### **1.15 Pensions**

The charitable company operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

# NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

### 2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Commercial trading operations and investment in trading subsidiary

	2021 £	2020 £
Non-charitable trading activities	51,154	286,055

### 4 Donations and other fund raising income

	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2021 £	Total 2020 £
Donations and gifts	50,382	37,782	67,660	155,824	103,175
Legacies receivable	-	-	-	-	18,221
Grants receivable	-	-	-	-	25,747
Membership fees	18,647	-	-	18,647	17,502
	69,029	37,782	67,660	174,471	164,645
For the year ended 31 January 2020	58,910	-	105,735		164,645

### 5 Incoming resources from charitable activities

	2021 £	2020 £
Traffic and admission charges	128,203	680,022
Driving course income	4,737	38,677
Santa specials	97,971	458,620
Charitable rental income	13,534	12,051
Photo course and trade stands	122	963
Other income	3,330	9,953
	247,897	1,200,286



# NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

### 6 Investments

	Unrestricted funds £	Designated funds £	Restricted funds £	Endowment funds £	Total 2021 £	Total 2020 £
Income from listed investments	-	-	8,808	-	8,808	11,105
Interest receivable	187	-	-	-	187	797
	187	-	8,808	-	8,995	11,902
For the year ended 31 January 2020	794	1	11,105	2		11,902

### 7 Other income

	2021 £	2020 £
Net gain on disposal of tangible fixed assets	21,000	-
Coronavirus job retention scheme grant	136,886	-
Other coronavirus related income	93,714	-
	251,600	-

### 8 Raising funds

	2021 £	2020 £
Commercial trading operations and investment in trading subsidiary		
Operating trading company undertaking non-charitable trading activity	42,124	216,310
	42,124	216,310

### 9 Trustees

No trustees (or any persons connected with them) received remuneration during the year. No trustees received expenses in the year (2020 - No trustees received expenses).

# NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

### 10 Charitable activities

	2021 £	2020 £
Maintenance staff including NI and pension	188,589	174,300
Depreciation and impairment	34,279	38,280
Fuel and lubricants	23,801	76,892
Insurance	63,843	65,174
Hire and transport of rolling stock	38,066	155,844
Maintenance	92,390	147,446
Santa special purchases	32,343	79,256
Stamp purchases for resale	778	6,456
Refuse and cleaning	19,709	27,090
Repairs and renewals	-	625
Subscriptions	1,814	3,604
Online booking system	7,893	9,771
Publicity and printing costs	7,743	51,676
Special event expenses	9,138	201,930
Bank, interest and credit charges	30,211	31,642
Bad debt provision	-	(1,808)
Expenditure from restricted funds	45,542	125,924
	<u>596,139</u>	<u>1,194,102</u>
Support costs (see note 11)	218,304	291,375
Governance costs (see note 11)	19,467	20,738
	<u>833,910</u>	<u>1,506,215</u>
<b>Analysis by fund</b>		
Unrestricted funds	740,344	1,345,948
Designated funds	43,506	29,032
Restricted funds	50,060	131,235
	<u>833,910</u>	<u>1,506,215</u>

## NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

#### 11 Support costs

	Support costs £	Governance costs £	2021 £	2020 £
Administration and cleaning wages	195,458		195,458	252,223
Premises costs	14,581		14,581	19,625
Promotion costs	8,265		8,265	19,527
Auditors remuneration:				
- for audit services	-	4,500	4,500	5,370
- for non audit services	-	5,301	5,301	3,497
Legal and professional	-	9,666	9,666	11,871
	<u>218,304</u>	<u>19,467</u>	<u>237,771</u>	<u>312,113</u>
Analysed between:				
Charitable activities	<u>218,304</u>	<u>19,467</u>	<u>237,771</u>	<u>312,113</u>

#### 12 Taxation

Nene Valley Railway Limited is a registered charity. It only applies its funds in accordance with its charitable objectives, and is not trading with a view to making distributable profits, therefore corporation tax is not chargeable.

## NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

#### 13 Employees

##### Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Administration, shop, catering and cleaning	11	15
Mechanical	6	6
	<u>17</u>	<u>21</u>

##### Employment costs

	2021 £	2020 £
Wages and salaries	346,032	384,961
Social security costs	26,684	31,919
Other pension costs	11,331	9,643
	<u>384,047</u>	<u>426,523</u>

Included in the above employee costs is a sum of £33,172 (2020: £99,545) which are the wages costs of the trading subsidiary Nene Valley Railway Enterprises Limited.

Total payments made during this year in relation to redundancy pay were £7,872 (2020: £Nil). This is included in the employment costs.

There were no employees whose annual remuneration was £60,000 or more.

#### 14 Net gains/(losses) on investments

	2021 £	2020 £
Revaluation of investments	(12,528)	14,060
(Loss)/Gain on sale of investments	(10,521)	13,878
	<u>(23,049)</u>	<u>27,938</u>

# NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

### 15 Tangible fixed assets

#### Group and Charity

	Freehold land and buildings £	Property improvements £	Plant and machinery £	Track and ballast £	Rolling stock and locomotives £	Total £
<b>Cost</b>						
At 1 February 2020	1,104,728	206,046	195,961	252,903	1,134,797	2,894,435
Additions	-	-	9,631	-	46,951	56,582
Disposals	-	-	-	-	(1,000)	(1,000)
At 31 January 2021	1,104,728	206,046	205,592	252,903	1,180,748	2,950,017
<b>Depreciation and impairment</b>						
At 1 February 2020	-	42,719	157,153	19,481	728,570	947,923
Depreciation charged in the year	-	5,709	12,373	2,334	13,862	34,278
At 31 January 2021	-	48,428	169,526	21,815	742,432	982,201
<b>Carrying amount</b>						
At 31 January 2021	1,104,728	157,618	36,066	231,088	438,316	1,967,816
At 31 January 2020	1,104,728	163,327	38,808	233,422	406,227	1,946,512

# NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

### 15 Tangible fixed assets (Continued)

Freehold land and buildings including improvements with a carrying amount of £1,262,346 (2020 - £1,268,055) have been pledged to secure borrowings of the charitable company. The charitable company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

The freehold and leasehold land and buildings were professionally valued at 31 January 2012 by John Martin & Associates, a Fellow of the Royal Institution of Chartered Surveyors. The valuation of each property was on the basis and assumptions for owner occupied properties being valued to Existing Use Value.

The valuation at 31 January 2012 has been included in the current year together with additions at cost.

The Trustees have reviewed the valuation at the year end and consider it to remain accurate.

16 Financial instruments	2021	2020
	£	£
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	294,957	388,368
Equity instruments measured at cost less impairment	285,084	373,679
	<u>285,084</u>	<u>373,679</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	284,941	251,012
	<u>284,941</u>	<u>251,012</u>

17 Fixed asset investments	2021	2020
Group	£	£
Listed investments	285,084	373,679
	<u>285,084</u>	<u>373,679</u>
<b>Charity</b>	<b>2021</b>	<b>2020</b>
	£	£
Investments in subsidiaries	100	100
Listed investments	285,084	373,679
	<u>285,184</u>	<u>373,779</u>

# NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

### 17 Fixed asset investments (Continued)

Movements in fixed asset investments Group and Charity	Shares £
<b>Cost or valuation</b>	
At 31 January 2020	373,679
Valuation changes	(23,049)
Investment management fees	(2,794)
Dividends received	8,808
Withdrawals	(71,560)
At 31 January 2021	<u>285,084</u>
<b>Carrying amount</b>	
At 31 January 2021	<u>285,084</u>
At 31 January 2020	<u>373,679</u>

### 18 Subsidiaries

The charity owns 100% of the ordinary shares of its subsidiary, Nene Valley Enterprises Limited which is a private company incorporated in England. (Registration number 2883483). The principle activities of the subsidiary are the operation of shop facilities, catering and commercial bar.

The subsidiary's results as extracted from the statutory financial statements for the year ended 31 January 2021 are outlined below:

	2021 £	2020 £
Turnover	53,489	378,850
Expenditure	(91,575)	(331,182)
Net profit	<u>(38,086)</u>	<u>47,668</u>

The aggregate of the assets, liabilities and reserves were:

	2021 £	2020 £
Current Assets	24,431	57,670
Current liabilities	(62,417)	(57,570)
Total reserves	<u>(37,986)</u>	<u>100</u>

# NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

<b>19 Stocks</b>			
<b>Group</b>		<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
Raw materials and consumables		54,379	49,020
<b>Charity</b>		<b>2021</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
Raw materials and consumables		36,183	18,838
<b>20 Debtors</b>			
<b>Group</b>		<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
Amounts falling due within one year:			
Trade debtors		-	5,615
Other debtors		16,481	75,675
		16,481	81,290
<b>Charity</b>		<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
Amounts falling due within one year:			
Trade debtors		-	5,615
Amounts due from subsidiary undertakings		54,883	26,222
Other debtors		14,845	64,431
		69,728	96,268
<b>21 Creditors: amounts falling due within one year</b>			
<b>Group</b>		<b>2021</b>	<b>2020</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
Loans and overdrafts	24	27,753	9,446
Other taxation and social security		1,489	-
Deferred income	23	63,853	31,831
Trade creditors		54,561	84,783
Other creditors		14,852	15,754
Accruals		12,800	37,106
		175,308	178,920



# NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

### 21 Creditors: amounts falling due within one year (continued)

Charity	Notes	2021 £	2020 £
Loans and overdrafts	24	27,753	9,446
Other taxation and social security		1,489	7,782
Deferred income	23	63,853	31,831
Trade creditors		52,727	57,884
Other creditors		9,152	15,754
Accruals		12,800	32,657
		<u>167,774</u>	<u>155,354</u>

### 22 Creditors : amounts falling due after more than one year

Group and Charity	Notes	2021 £	2020 £
Loans and overdrafts	24	72,433	102,590
Other borrowings		50,000	-
Other creditors		-	6,608
		<u>122,433</u>	<u>109,198</u>

### 23 Deferred income

Group and Charity	2021 £	2020 £
Arising from wayleave income	3,675	3,675
Income received in advance	60,178	28,156
	<u>63,853</u>	<u>31,831</u>

Deferred income is included in the financial statements as follows:

	2021 £	2020 £
Current liabilities	63,853	31,831
	<u>63,853</u>	<u>31,831</u>

## NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

#### 24 Loans and overdrafts

Group and charity	2021 £	2020 £
Bank overdrafts	-	37
Bank loans	100,186	111,999
Other borrowings	50,000	-
	<u>150,186</u>	<u>112,036</u>
Payable within one year	27,753	9,446
Payable after one year	<u>122,433</u>	<u>102,590</u>

Amounts payable by instalments after 5 years is £8,986 (2020: £Nil).

The long-term loan is secured by fixed charges over the freehold property known as Wansford Station, Peterborough and its associated assets.

The bank loan is repayable by monthly instalments over 4.5 years, the last instalment falling due in 2024. The interest rate in force for the year ended 31 January 2021 was 3.95%.

A bounce-back loan of £50,000 was received during the year. This loan is repayable by monthly instalments over 6.5 years including an 18 month repayment holiday. The interest rate for this loan is 2.5% fixed.

#### 25 Retirement benefit schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. At the year end a balance of £nil is included in other creditors (2020 - £3,210).

The charge to profit and loss in respect of defined contribution schemes was £10,436 (2020 - £9,545).

# NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

### 26 Endowment funds

	Balance at 1 February 2020 £	Balance at 31 January 2021 £
<b>Expendable endowments</b>		
Movements in the year	579	579
	<u>579</u>	<u>579</u>

The Expendable Endowment Fund from the Commission for New Towns was established in 1994 to fund the management of the freehold property of the railway.

### 27 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 February 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 January 2021 £
Friends of the Nene Valley Railway	5,035	-	-	(2,525)	2,510
Thomas fund	41,568	-	-	(41,568)	-
Legacy fund	44,220	-	-	-	44,220
Track appeal	2,331	1,500	(2,023)	(1,808)	-
Loco 656	43,748	29,242	-	(46,952)	26,038
Wagon Group	1,000	-	-	-	1,000
Carriage and Wagon	32,547	7,040	(8,545)	-	31,042
Restaurant car	50,969	-	(32,938)	-	18,031
	<u>221,418</u>	<u>37,782</u>	<u>(43,506)</u>	<u>(92,853)</u>	<u>122,841</u>

Money raised by the Friends of Nene Valley Railway is utilised on specific projects, as agreed by the charity's finance committee.

The Thomas fund has been set up to cover current repairs and overhaul costs.

The Legacy fund has been set up to earmark one off income to be used on specific projects.

Loco 656 funds have been set up to cover cost of the full overhaul.

The Carriage and Wagon fund is set aside to fund the restoration of carriages.

The Restaurant car fund is set aside to fund the restoration and maintenance of the restaurant car.

# NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

### 28 Restricted funds

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

	Balance at 1 February 2020	Incoming resources	Resources expended	Transfers	Investments gains/ losses	Balance at 31 January 2021
	£	£	£	£	£	£
TPO Fund - Cash	32,359	768	(3,933)	-	-	29,194
TPO Fund - Assets	2,462	-	(1,724)	-	-	738
Thomas	3,274	4,189	-	(7,463)	-	-
Small Engine Fund	1,932	361	(317)	-	-	1,976
Wansford Old Station	62,611	431	(505)	-	-	62,537
Nene Corridor (Yarwell)	4,431	-	-	-	-	4,431
Museum Fund	4,360	14	(622)	(1,235)	-	2,517
Loco 73050	5,957	146	(8,670)	10,000	-	7,433
Loco 73050 - investment	373,679	8,808	(2,794)	(71,560)	(23,049)	285,084
Wagon Group	3,810	-	(2,493)	-	-	1,317
Signal box	15,276	49	-	-	-	15,325
N McGregor's rolling stock	925	-	(228)	-	-	697
Education Fund	1,778	120	-	(1,235)	-	663
Loco crew	733	-	(574)	-	-	159
Pit fund	495	-	-	-	-	495
Barnwell Building	-	1,472	(2,656)	1,184	-	-
Yarwell	927	2,000	-	-	-	2,927
Yarwell Grantscape	650	11,296	(11,296)	-	-	650
HLF	3,032	20,000	(6,518)	(2,402)	-	14,112
Operations Department	1,584	-	(794)	-	-	790
LNER	-	5,340	(4,459)	(881)	-	-
D Crouch	1,528	1,360	(1,991)	-	-	897
Pacer Appeal	-	8,822	-	-	-	8,822
Toilet Block Appeal	-	6,145	-	(6,145)	-	-
Other small funds	-	5,147	(486)	722	-	5,383
	521,803	76,468	(50,060)	(79,015)	(23,049)	446,147

Restricted funds represent specific appeals and donations.

## NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

#### 28 Restricted funds (Continued)

The balance of £29,932 on the Travelling Post Office Fund is represented by £738 of fixed assets and an unexpended balance of £29,194. This fund is to be used for the restoration of the various Travelling Post Office coaches and also includes the funds raised and expended for the Ferry Meadows Night Mail Project, which is to fund a Museum for the Travelling Post Office coaches.

The Wansford Old Station was created to raise funds for the potential improvement and restoration of the old station building.

Loco 73050 fund is to be used for the maintenance and upkeep of Loco 73050.

Signal box funds are to be used for the maintenance and upkeep of the signal box.

HLF reserves relate to grant funding received from the Heritage Lottery Fund in relation to a detailed review of the Charities governance that has been performed. This fund is used to cover costs in relation to training in relation to governance projects as well as the implementation of any related items.

The other restricted funds cover a variety of specific donations and appeals relating to specific engines, rolling stock or other projects.

#### 29 Analysis of net assets between funds

	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total 2021 £	Total 2020 £
Fund balances at 31 January 2021 are represented by:						
Tangible assets	1,967,078	-	738	-	1,967,816	1,946,512
Investments	-	-	285,084	-	285,084	373,679
Current assets/ (liabilities)	(109,717)	122,841	160,325	579	174,028	258,468
Long term liabilities	(122,433)	-	-	-	(122,433)	(109,198)
	<u>1,734,928</u>	<u>122,841</u>	<u>446,147</u>	<u>579</u>	<u>2,304,495</u>	<u>2,469,461</u>

#### 30 Capital commitments

2021  
£

2020  
£

At 31 January 2020 the charitable company had capital commitments as follows:

Contracted for but not provided in the financial statements:

Acquisition of property, plant and equipment

13,039      29,000

## NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

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#### 31 Control

The charity is a company limited by guarantee and has no share capital.

The liability of each member in the event of winding up is £1.

#### 32 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2021	2020
	£	£
Aggregate compensation	44,794	38,330

##### Transactions with related parties

During the year the charity received some donations from trustees.

During the year, expenditure totalling £275 (2020: £Nil) was paid to Sloan Plumb Wood Solicitors, a company in which Mr P Corrigan is a director.

During the year, expenditure totalling £342 (2020: £Nil) was paid to Mike George Limited, a company in which Mr S Costello is a director.

During the year the charity received a loan from a trustee of £10,000 (2020: £Nil). No interest was charged or conditions attached to the loan. The full amount was outstanding at the year end.

#### 33 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021	2020
	£	£
Within one year	7,446	7,446
Between two and five years	6,519	13,039
	13,965	20,485

# NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

<b>34 Cash flow from operating activities</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
(Deficit)/Surplus for the year	(164,966)	(31,699)
Adjustments for:		
Interest and dividend income	(8,995)	(11,902)
Interest paid	30,211	31,642
Loss/(Gain) on disposal of investments	10,521	(13,878)
Fair value gains and losses on investments	12,528	(14,060)
Depreciation and loss on disposal of tangible fixed assets	35,278	38,280
Movements in working capital:		
Decrease/(increase) in stocks	(5,359)	(7,683)
Decrease/(increase) in debtors	64,809	(55,302)
(Decrease)/increase in creditors	(28,527)	61,567
<b>Net cash outflow from operating activities</b>	<b>(54,500)</b>	<b>(3,035)</b>

### 35 Analysis of changes in net debt

	<b>As at 1 February 2020</b>	<b>Cash flows</b>	<b>Other non-cash movements</b>	<b>As at 31 January 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash	307,078	(28,602)	-	278,476
Overdraft	(37)	37	-	-
Loans due within one year	(9,446)	(18,307)	-	(27,753)
Loans due after one year	(102,590)	(19,843)	-	(122,433)
	<b>195,005</b>	<b>(66,715)</b>	<b>-</b>	<b>128,290</b>