

**REGISTERED COMPANY NUMBER: 01097382 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 502278**

**Report of the Trustees and  
Consolidated Financial Statements for the Year Ended  
31 December 2020  
for  
Midland Railway Trust Limited  
Company Limited By Guarantee**

**Midland Railway Trust Limited**  
**Company Limited by Guarantee**

**Contents of the Financial Statements**  
**for the Year Ended 31 December 2020**

	Page
Report of the Trustees	1
Report of the Independent Auditors	6
Consolidated Statement of Financial Activities	10
Consolidated and Company Balance Sheet	11
Consolidated Cash Flow Statement	12
Notes to the Consolidated Cash Flow Statement	13
Notes to the Financial Statements	14

**Trustees' Report**  
**for the Year Ended 31 December 2020**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the group and charity for the year ended 31 December 2020. The trustees have adopted the provisions of 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).

**Structure Governance and Management**

**Governing document**

Midland Railway Trust Limited is based at Butterley Station and Swanwick Junction, Ripley, Derbyshire, the former being the company's registered office and principal address of the charity.

The organisation is a charitable company limited by guarantee, incorporated and registered as a charity in 1973. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

**Recruitment and Selection of Trustees**

Trustees are appointed by the membership at the AGM, although the Board has the power to co-opt during the year.

**Trustees Induction and Training**

New trustees are briefed on their legal obligations under charity and company law, the contents of the Memorandum and Articles of Association, also the committees and decision-making process. They are also introduced to the full-time management team.

**Risk Management**

The trustees examine the major risks that the charity faces each financial year when preparing and updating both strategic and business plans. The charity has developed systems to monitor and control financial and other risks to mitigate any impact they may have on the charity in the future. Detailed budgets and cash flow forecasts are updated throughout the year. Operation of the railway itself is as part of a Light Railway Order (Standard Gauge) and a Transport and Works Order (Narrow Gauge) and is subject to the requirements of the railway inspectorate and current railway regulations. These require regular risk assessments and a safety management system.

**Organisation Structure**

The business of the charity is managed by the Boards of Midland Railway Trust Limited, Midland Railway Enterprises PLC, committees and a full-time management and support team.

**Related Parties**

The charity has strong relationships with local authorities, in particular Amber Valley Borough Council, Derbyshire County Council and Derby City Council, each of which are able to nominate an observer for the main Board. The Trust has majority voting rights in a trading subsidiary, Midland Railway Enterprises PLC.

**Objectives and Activities**

The charity is governed by its Memorandum and Articles of Association. The charity's objectives and principal activities are those of advancing the knowledge and understanding of the role played by the Midland Railway Company and its successors in technological and social development, both regionally and nationally, together with its links with communities and industry, for the benefit of the public, by the establishment and maintenance of a working museum and associated estate.

**Trustees' Report**  
**for the Year Ended 31 December 2020 - continued**

**Fund-Raising Standards Information**

The charity seeks donations from the public to support key projects. The charity seeks monetary donations via its website and other digital channels which is closely monitored and is also delighted to receive offers of goods, services and appropriate historical items. The charity or any person acting on behalf of the charity are not currently subject to an undertaking to be bound by any voluntary standard for fund-raising in respect of activities on behalf of the charity.

The charity has introduced a privacy policy which appears on the charity's website and provides a means by which the charity seeks to protect vulnerable people and other members of the public in connection with the fund-raising activities.

**Public Benefit**

The Trust has sought through its operating day activities to demonstrate and educate the visiting public in the methods and equipment used in the running of standard gauge railways from the 1860's to the recent past. The presentation is designed around a relaxing day out for the family. However, on specific days, clearly shown in our operating schedule, specialist events are organised that focus on certain key aspects of railway and related operations. Wherever possible, individual activities are provided which include "Footplate Experience Days", where it is possible to deliver one-on-one tuition to participants in the driving of a locomotive. The Trust actively seeks contacts with local schools and provides background planning information and educational supportive materials to enable school groups to have interactive visits to both the operational railway and the greater museum complex.

The Trust has a continuing policy of acquiring and developing adjacent land in order that a protected green space around the railway can be made available to the public at large and it has continued to improve the access for all throughout its land holdings.

Where there is clearly seen to be a synergy between organisations, the Trust provides a base for associated groups who are able to present a wider interpretation of the heritage of past transport systems and in particular their interaction with railways, thus increasing further the educational context of the visitor experience.

**Achievements and Performance**

2020 has proven a year like no other. When the Covid 19 Pandemic struck, the Trust had no choice but to close the Midland Railway, Butterley to visitors. When restrictions lifted the Trust opened to volunteers whose job involved preparation for re-opening to the public, albeit under strict Covid controls as per government advice. Unfortunately, it became apparent that our operational model would not allow profitable operation during 2020 if we were to re-open to passengers. All of the significant events undertaken involve a large degree of people in close proximity to one another.

Given the railway operates within fixed capacities (for instance in a railway carriage), with social distancing in place key events became financially unsustainable. As such the 2020 focus was changed to improving the offering to the visitor, and undertaking strategic maintenance that would otherwise be impossible during an operating season. Staff resource has unfortunately had to be reduced to secure intermediate stability and also future operational sustainability. The site re-opened to visitors in summer 2021 with a brighter and more vibrant offering, newly restored trains and volunteer lead operation. Significant funds have been awarded to the Trust by the Heritage Lottery Fund's Heritage Emergency Fund, and also the Government's Culture Recovery Fund, the combination of which allow the Trust to reach operational status as a leading public attraction once more.

A bequest (which was limited in use by order of the deceased benefactor to restoration of steam locomotives) was partially invested in the restoration of one of the home-fleet steam locomotives such that when operation recommenced the reliance on external suppliers would be significantly reduced. This approach would make future daily operation much more sustainable.

**Trustees' Report**  
**for the Year Ended 31 December 2020 – continued**

During the latter part of 2020, with an awareness that public operation in the conventional manner was unlikely for the foreseeable future, the MRT sought alternative income streams from external companies for training and storage.

Software infrastructure has also seen significant updates during 2020. This work will help to improve efficiency and help reduce our cost base.

**Financial Review**

The results for the year are shown in the statement of financial activities shown on page 10. Total income of the Midland Railway Trust Limited, excluding trading income from its subsidiary was £484,299 (2019: £483,622). The total income of the group was £523,140 (2019: £715,224).

**Investment Policy**

The Board are responsible for setting the investment policy of the charity. The charity currently holds all of its available funds in interest bearing bank accounts where possible, but also holds a unit trust investment as part of a bequest.

**Reserve Policy**

Midland Railway Trust (MRT) aims to hold reserves (excluding Restricted Funds) to cover both the overdraft facility for the current account and three months of trading. Typically, at 2019 levels, this would be £200,000 in total.

MRT acknowledges that it has substantial reserves tied up in high value railway equipment, which could be realised within a 6 month period, if necessary.

Reserves may be drawn upon to tackle urgent maintenance issues that would, if left unattended, affect the operation of the business. Decisions of this nature will be subject to approval by the Board of Trustees

Reserves will be held in deposit accounts, with no time restrictions on access. A statement of each account position will be made at least quarterly to the Board of Trustees, together with an explanation of any movements in funds since the last report.

MRT also holds funds for designated purposes. These are not considered in the establishment of reserves and are reported individually in the Annual Accounts of the company.

MRT will review this policy annually, particularly in relation to the level of reserves held.

The unrestricted funds total £524,064 (2019: £319,816) with general reserves totalling £228,123 (2019: £68,873).

**Plans for Future Periods**

Following the site re-opening in summer 2021 with a brighter and more vibrant offering, newly restored trains and volunteer lead events, the Trustees remain optimistic that income will quickly return to pre-covid levels.

In line with the above, continual improvements on locomotive and site restorations will allow the charity to carry out its objectives and activities as laid out in this report.

**Midland Railway Trust Limited**  
**Company Limited by Guarantee**

**Trustees' Report**  
**for the Year Ended 31 December 2020 - continued**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

01097382 (England and Wales)

**Registered Charity number**

502278

**Registered office**

Butterley Station

Ripley

Derbyshire

DE5 3QZ

**Trustees**

C A Buxton

R J Ward

A D Kemplen

A C Gibson – resigned 22 July 2020

A E Deeth – resigned 30 September 2020

E J Draper – appointed 7 July 2020

N J Forster – appointed 28 September 2020

A J Asling – appointed 3 March 2021

A H Homer – appointed 3 March 2021

C G Johnson – appointed 3 March 2021

**Senior Management Personnel**

The trustees delegated day-to-day management to the general manager, P Pomfret who ceased to work for the organisation after the financial period but prior to the date of this report.

**Company Secretary**

W P Featherstone

**Auditors**

Mabe Allen LLP

Chartered Accountants

Statutory Auditors

50 Osmaston Road

Derby

DE1 2HU

**Trustees' Report**  
**for the Year Ended 31 December 2020 – continued**

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of Midland Railway Trust Limited for the purposes of company law) are responsible for preparing the Report of the Trustees 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 which 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 period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 auditors are 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 auditors are aware of that information.

**AUDITORS**

The auditors, Mabe Allen LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 28.10.21 and signed on the board's behalf by:

  
.....  
Trustee – R J Ward

28.10.21  
.....  
Date

**Report of the Independent Auditors to the Members of  
Midland Railway Trust Limited**

**Opinion**

We have audited the financial statements of the group and Midland Railway Trust Limited (the 'charitable company') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheet, the Consolidated Cash Flow Statement and 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group and 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.

**Material uncertainty relating to going concern**

We draw attention to note 1 to the financial statements which indicates that the challenges posed by the COVID-19 pandemic mean that the group and charitable company's ability to continue as a going concern in a severe but plausible downside scenario are dependent on cash injections from the issue of further shares, targeted requests for donations and/or the extension of further bank facilities. These events and conditions, along with the other matters explained in note 1, constitute a material uncertainty that may cast significant doubt on the group and charitable company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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 to our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this or other information, we are required to report that fact. We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.



**Report of the Independent Auditors to the Members of  
Midland Railway Trust Limited (continued)**

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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 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:

**Extent to which the audit was considered capable of detecting fraud**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including targets for income and net profit;
- results of our enquiries of management and the trustees about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the charitable company's documentation of their policies and procedures relating to;
- identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance, including any related to the General Data Protection Regulations or Bribery Act 2010;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- the internal controls to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and including relevant internal tax specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

**Report of the Independent Auditors to the Members of  
Midland Railway Trust Limited (continued)**

As a result of these procedures, we considered the opportunities and incentives that may exist within the charitable company for fraud and identified the greatest potential for fraud in the ability of management to manipulate revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006, the Charities SORP and the Financial Reporting Standard 102.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty. These include The General Data Protection Regulations, the Bribery Act 2010 and Health and Safety policies relating to covid-19.

**Audit Response to Risks Identified**

Our procedures to respond to risks identified above include the following:

- reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and trustees concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes to meetings of those charged with governance and reviewing relevant correspondence from regulatory bodies.
- In addressing the fraud risk in revenue recognition at an analytical review level, we developed an expectation of the revenue with reference to our experience of the client and discussions on the recognition and volatility of revenue in the year.
- 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 making accounting estimates are indicative of a potential bias;
  - evaluating the business rational of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 financial statements is location 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 Report of the Independent Auditors.

**Midland Railway Trust Limited**  
**Company Limited by Guarantee**

**Report of the Independent Auditors to the Members of**  
**Midland Railway Trust Limited (continued)**

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group and the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, or our audit work, for this report, or for the opinions we have formed.



David John Allen BA FCA (Senior Statutory Auditor)  
For and on behalf of Mabe Allen LLP  
Chartered Accountants  
Statutory Auditors  
50 Osmaston Road  
Derby  
DE1 2HU

Date .....28/10/2021.....

**Midland Railway Trust Limited**  
**Company Limited by Guarantee**

**Consolidated Statement of Financial Activities (including Income and Expenditure Account)**  
**for the year ended 31 December 2020**

	Note	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Total funds 2019 £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	426,430	7,421	433,851	209,803
Other trading activities	3	44,401	3,927	48,328	273,333
Investment income	4	200	720	920	486
Other income	5	34,216	-	34,216	-
Trading subsidiary income		<u>5,825</u>	<u>-</u>	<u>5,825</u>	<u>231,602</u>
<b>Total income and endowments</b>		<u>511,072</u>	<u>12,068</u>	<u>523,140</u>	<u>715,224</u>
<b>EXPENDITURE ON:</b>					
Raising funds	6	149,351	-	149,351	233,263
Trading subsidiary costs		64,041	-	64,041	227,860
Charitable activities	6	<u>336,348</u>	<u>1,218</u>	<u>337,566</u>	<u>411,253</u>
<b>Total expenditure</b>	6	<u>549,740</u>	<u>1,218</u>	<u>550,958</u>	<u>872,376</u>
<b>Net gain/(loss) on investments</b>		<u>(2,921)</u>	<u>419</u>	<u>(2,502)</u>	<u>2,071</u>
<b>Net (expenditure)/income</b>		(41,589)	11,269	(30,320)	(155,081)
<b>Transfers between funds</b>		207,418	(207,418)	-	-
<b>Other recognised (losses)</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>(400)</u>
<b>Net (outgoing)/incoming resources before minority interest</b>		165,829	(196,149)	(30,320)	(155,481)
<b>Minority interest</b>		<u>38,417</u>	<u>-</u>	<u>38,417</u>	<u>27,256</u>
<b>Retained (outgoing)/incoming resources after minority interest</b>		<u>204,246</u>	<u>(196,149)</u>	<u>8,097</u>	<u>(128,225)</u>
<b>Balance brought forward - revaluation</b>		-	2,718,611	2,718,611	2,785,909
<b>Balances brought forward - funds</b>		<u>319,818</u>	<u>414,805</u>	<u>734,623</u>	<u>795,550</u>
<b>Balances carried forward</b>		<u>524,064</u>	<u>2,937,267</u>	<u>3,461,331</u>	<u>3,453,234</u>

The notes form part of these financial statements.

**Midland Railway Trust Limited**  
**Company Limited by Guarantee**

(Registered Number: 01097382)

**Consolidated and Company Balance Sheet**  
**for the year ended 31 December 2020**

	Note	2020		2019	
		Group	Company	Group	Company
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	9	2,921,595	2,862,390	2,941,392	2,870,752
Investments	10	<u>25,659</u>	<u>62,289</u>	<u>28,162</u>	<u>64,792</u>
		<u>2,947,254</u>	<u>2,924,679</u>	<u>2,969,554</u>	<u>2,935,544</u>
<b>CURRENT ASSETS</b>					
Stocks	11	22,883	2,367	24,295	2,374
Debtors	12	78,309	202,417	150,807	215,238
Current asset investments	13	6,900	6,900	6,900	6,900
Cash at bank and in hand		<u>555,528</u>	<u>543,714</u>	<u>481,420</u>	<u>468,302</u>
		<u>663,620</u>	<u>755,398</u>	<u>663,422</u>	<u>692,814</u>
<b>CREDITORS</b>					
Amounts falling due within one year	14	<u>(126,590)</u>	<u>(121,193)</u>	<u>(161,934)</u>	<u>(137,362)</u>
<b>NET CURRENT ASSETS</b>		<u>537,030</u>	<u>634,205</u>	<u>501,488</u>	<u>555,452</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,484,284	3,558,884	3,471,042	3,490,996
<b>CREDITORS</b>					
Amounts falling due after more than one year	15	(44,167)	(44,167)	-	-
<b>PROVISIONS FOR LIABILITIES</b>	16	<u>(5,479)</u>	<u>(5,479)</u>	<u>(6,084)</u>	<u>(6,084)</u>
<b>NET ASSETS</b>		<u>3,434,638</u>	<u>3,509,238</u>	<u>3,464,958</u>	<u>3,484,912</u>
<b>FUNDS</b>					
Restricted funds	18	285,954	160,332	414,807	419,821
Revaluation reserve	18	2,651,313	2,651,313	2,718,611	2,718,611
Unrestricted funds	18	<u>524,064</u>	<u>697,593</u>	<u>319,816</u>	<u>346,480</u>
Funds available to the group	18	3,461,331	3,509,238	3,453,234	3,484,912
Minority interest	21	<u>(26,693)</u>	<u>-</u>	<u>11,724</u>	<u>-</u>
<b>TOTAL FUNDS</b>		<u>3,434,638</u>	<u>3,509,238</u>	<u>3,464,958</u>	<u>3,484,912</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 28/10/21 and were signed on their behalf by:

R J Ward – Company Director/Trustee

.....

The notes form part of these financial statements

**Midland Railway Trust Limited**  
**Company Limited by Guarantee**

**Consolidated Cash Flow Statement**  
**for the Year Ended 31 December 2020**

		<b>2020</b>	<b>2019</b>
	Notes	£	£
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	120,765	17,017
Losses/(gains) on investments		<u>2,502</u>	<u>(2,071)</u>
<b>Net cash provided by operating activities</b>		<u>123,267</u>	<u>14,946</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(100,359)	(56,658)
Receipt of bequeathed current assets		-	(11,304)
Sale of tangible fixed assets		<u>1,200</u>	<u>-</u>
<b>Net cash used by investing activities</b>		<u>(99,159)</u>	<u>(67,962)</u>
<b>Cash flows from financing activities:</b>			
New loans in year		<u>50,000</u>	<u>-</u>
<b>Net cash provided by financing activities</b>		<u>50,000</u>	<u>-</u>
<b>Change In cash and cash equivalents in the reporting period</b>		74,108	(53,016)
<b>Cash and cash equivalents at the beginning of the reporting period</b>	2	<u>481,420</u>	<u>534,436</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	2	<u>555,528</u>	<u>481,420</u>

The notes form part of these financial statements.

**Midland Railway Trust Limited**  
**Company Limited by Guarantee**

**Notes to the Consolidated Cash Flow Statement**  
**for the Year Ended 31 December 2020**

**1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2020</b>	<b>2019</b>
	£	£
<b>Net (expenditure) for the reporting period (as per the statement of financial activities)</b>	(30,320)	(155,081)
<b>Adjustments for:</b>		
Depreciation charges	120,156	101,606
Profit on disposal of fixed assets	(1,200)	-
Decrease in stocks	1,412	6,685
Decrease/(increase) in debtors	72,499	106,617
(Decrease)/increase in creditors	<u>(41,782)</u>	<u>(42,810)</u>
<b>Net cash provided by operating activities</b>	<u>120,765</u>	<u>17,017</u>

**2. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2020</b>	<b>2019</b>
	£	£
Notice deposits (less than 3 months)	<u>555,528</u>	<u>481,420</u>
<b>Total cash and cash equivalents</b>	<u>555,528</u>	<u>481,420</u>

The notes form part of these financial statements.

**Notes to the Financial Statements**  
**for the Year Ended 31 December 2020**

**1. PRINCIPAL ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

Midland Railway Trust Limited is a public benefit entity as defined under Financial Reporting Standard 102. The financial statements have been prepared in accordance with the Companies Act 2006, the Charities Act 2011, the Charities SORP 2019 (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) (effective 1 January 2019), and the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The accounts are presented in pounds sterling, which is the functional currency of the charity and rounded to the nearest pound.

**Going Concern**

The Group made a surplus for the year of £8,097 (2019: deficit £128,225) and the trustees have prepared the financial statements on the going concern basis which assumes that the group and charitable company will continue to trade for the foreseeable future. The validity of the assumption is based on the trustees' assessment of future cash forecasts and revenue projections and for the reasons set out below.

**Coronavirus**

As at the date of approving these financial statements, the impact of COVID-19 on the group and charitable company's trading is continually being assessed and subject to review. The attraction at the Midland Railway Trust Limited heritage railway site from which the group and charitable company trades has recently been re-opened to the public. The trustees anticipate a gradual recovery to more normalised trading levels but such that ongoing revenue would not recover to normal levels until well into 2022.

A line up of the charitable company's most popular events have been scheduled for the rest of 2021 and a number of new events are being assessed to bring in additional revenue.

The trustees have prepared detailed cash flow forecasts for the period to the end of December 2021 and projections beyond this date and anticipate conditions will improve significantly after that date. The trustees believe that from the date of approval of these financial statements under the forecasted scenario, the group and charitable company will have sufficient funds to meet their liabilities as they fall due for the following twelve months. There are no material capital repayments of debt falling due within the forecast period.

The business is continues to take appropriate measures to preserve liquidity.

The following mitigating actions have been undertaken;

A number of redundancies has resulted in significant staff cost savings.

Where possible, and subject to regulations, staffing levels and the hours of operation have been reduced.

All capital expenditure has been delayed or rephased. The charitable company's future plans do not currently include significant capital expenditure, and no expenditure is currently contracted and any that is due to take place can therefore be delayed. Where it is impossible to continue construction because of government restrictions, this also helps to preserve cash.

Essential expenditure to ensure the health and safety of customers and staff will continue to be made by the charitable company.

Advantage was taken during the year of the UK Government concessions over tax payments and a number of significant grants were received during the year.



**Notes to the Financial Statements**  
**for the Year Ended 31 December 2020 - continued**

**1. PRINCIPAL ACCOUNTING POLICIES - continued**

The trustees have considered all variable expenditure, reducing it where possible and have been able to delay and/or cancel expenditure in several areas.

**Downside Scenario**

The trustees believe the scenario above is reasonable, assuming as it does a phased level of recovery to the group and charitable company's activities. However, it is possible that future site closure may be needed as a result of Covid-19, and/or that the recovery profile is slower than in the base case.

In this situation, without any new sources of funds, the group and charitable company's currently available liquidity could be exhausted.

Were the group or charitable company to require access to further liquidity this could be sought through cash injections from targeted requests for donations, the issue of shares by the trading subsidiary and/or an extension of further lending facilities. Given the group and charitable company's history of cash generation we would expect to be able to raise such funds as were necessary, however there is no guarantee that such funds will be available.

The trustees believe that it remains appropriate to prepare the financial statements on a going concern basis. However, these circumstances represent a material uncertainty that may cast significant doubt on the group and charitable company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

**Basis of Consolidation**

Consolidated Financial Statements have been prepared in respect of the charitable company and its majority controlled subsidiary, Midland Railway Enterprises PLC in accordance with section 398 of the Companies Act 2006 and the requirements of the SORP 2019 (FRS 102). The income and expenditure of Midland Railway Enterprises PLC have been consolidated into the Statement of Financial Activities (SOFA) on a line by line basis.

Inter-company transactions are eliminated on consolidation so that the consolidated financial statements relate to external transactions only.

No separate statement of financial activities (SOFA) has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006.

**Company Status**

The Charity is a Company Limited by Guarantee. The members of the company are the trustees named on page 4. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

**Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. These estimates and judgments are continually reviewed and are based on experience and other factors, including expectations for future events that are believed to be reasonable under the circumstances.

**Notes to the Financial Statements**  
**for the Year Ended 31 December 2020 - continued**

**1. PRINCIPAL ACCOUNTING POLICIES - continued**

The following judgements have had the most significant effect on amounts recognised in the financial statements:-

**Note 12 – Amounts due from Group Undertakings**

Midland Railway Enterprises PLC is a subsidiary of Midland Railway Trust Limited. Monies are held by Midland Railway Enterprises PLC on trust for Midland Railway Trust Limited. Although no formal agreement is in place, these monies are treated by the Company as ring fenced funds and are not considered to be funds of Midland Railway Enterprises PLC. At the year end the total funds due to Midland Railway Trust Limited were £125,274 (2019: £67,238).

**Note 9 – Tangible Fixed Assets**

The group and charitable company carries its tangible fixed assets at cost or deemed cost, the deemed cost incorporating a valuation of fixed assets which took place in 2013. The professional valuer for land and buildings used a valuation technique which took account of the estimate of fair maintainable turnover and the marketability of the property. The determined fair value of the plant and equipment placed reliance on an experienced professional with specialist knowledge of the heritage railway sector and any valuation remains sensitive to the current state, resale value and condition of the plant and equipment.

**Coronavirus**

The impact of the coronavirus pandemic will cause disruption to and create uncertainty around the business, not least with regard to its working capital and the ability of its customers to pay now and into the future and whether it needs to impair its assets. Any disruption or uncertainty could have an adverse effect on the business, financial results and operations.

The full impact of the coronavirus is still to be determined and the trustees continue to assess and monitor the potential risks and impacts on the group and Midland Railway Trust Limited's customers and major stakeholders, whilst taking appropriate mitigation measure to address challenges including logistics, staff and supply.

**Income**

All income is recognised in the Statement of Financial Activities once the charitable company has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

For donations to be recognised the charitable company will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charitable company and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charitable company has control over the item. Fair value is determined on the basis of the value of the gift to the charitable company. For example, the amount the charitable company would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

**Notes to the Financial Statements**  
**for the Year Ended 31 December 2020 - continued**

**1. PRINCIPAL ACCOUNTING POLICIES - continued**

**Income – continued**

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charitable company are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items, they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Income includes income earned by the trading subsidiary in undertaking trading activities which raise funds for the charitable company. Income is received in exchange for supplying goods and services in order to raise funds and meet the objectives of the charity and is recognised when entitlement has occurred.

Income from grants is recognised at fair value when the charitable company has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Income from legacies is recognised when the charitable company has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. Receipt is probable when: there has been grant of probate, the executors have established that there are sufficient assets in the estate after settling any liabilities to pay the legacy, and any conditions attached to the legacy are either within control of the charity or have been met.

**Fund accounting**

General funds are unrestricted funds which can be used in accordance with the charitable objectives at the discretion of the trustees and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the Financial Statements.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. The cost of raising and administering such funds are charged against the specific fund.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure is categorized under the following headings:

- Costs of raising funds on behalf of the charitable company;
- Trading subsidiary costs for raising funds on behalf of the charitable company;
- Expenditure on charitable activities includes primary purpose trading costs.

**Notes to the Financial Statements**  
**for the Year Ended 31 December 2020 - continued**

**1. PRINCIPAL ACCOUNTING POLICIES - continued**

**Termination benefits**

Termination payments are payable when employment is terminated by the group before the normal retirement date or end of the employment contract. Termination costs are recognised at the earlier of when the group can no longer withdraw the offer of the benefits or when the group recognises any related restructuring costs.

**Tangible fixed assets**

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

The 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 assets and is credited or charged to profit and loss.

At each reporting period end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the charitable company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life as follows:

Freehold land	- 0% on cost
Long Leasehold Property	- 2% straight line
Plant and Machinery	- 5% - 33% on a reducing balance basis
Fixtures and Fittings	- 25% reducing balance

Plant and Machinery costing more than £500 is capitalised and carried in the balance sheet at historical cost.

**Taxation**

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

**Notes to the Financial Statements**  
**for the Year Ended 31 December 2020 – continued**

**1. PRINCIPAL ACCOUNTING POLICIES - continued**

**Government grants**

Income from government grants, whether capital grants or revenue grants, is recognised when the charitable company has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income is received and the amount can be measured reliably.

Where entitlements occur before the income is received, the income is accrued. Where income is received in advance of the charitable company having entitlement to the funds, the income is deferred.

The government grant income received and for which there are no unfulfilled conditions relates to amongst others the government's Job Retention Scheme which has been introduced as part of its response to the coronavirus pandemic.

**Investments**

Fixed and current asset investments are initially recorded at cost and subsequently stated at cost less any accumulated impairment losses.

**Investment in subsidiaries**

Investments in subsidiary undertakings are recognised at cost.

**Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Donated stocks are fair valued as described under the "Income" above. The only exception to this accounting policy is where the trustees consider it impractical to fair value the gifts in kind donated for resale because of the volume of low value items received by the charitable company which are not subject to a detailed stock control system.

**Pension**

The charitable company pays into personal pension plans of certain members of its staff and operates a stakeholder scheme for other employees.

The charge in the accounts represents payments made into these schemes in the year.

**Fundraising costs**

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

**Debtors and creditors receivable/ payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

**Loans and borrowings**

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

**Notes to the Financial Statements**  
**for the Year Ended 31 December 2020 – continued**

**1. PRINCIPAL ACCOUNTING POLICIES - continued**

**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.

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities, or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the charitable company after deducting all of its liabilities.

**Impairment**

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

**Provisions**

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

**Midland Railway Trust Limited**  
**Company Limited by Guarantee**

**Notes to the Financial Statements**  
**for the Year Ended 31 December 2020 – continued**

**2. INCOME FROM DONATIONS AND LEGACIES**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total funds 2020</b>	<b>Total funds 2019</b>
	£	£	£	£
Legacies	84,531	144	84,675	76,332
Donations and subscriptions	64,084	7,277	71,361	88,615
Grants	277,815	-	277,815	500
Exceptional item—VAT provision write-back	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,356</u>
	<u>426,430</u>	<u>7,421</u>	<u>433,851</u>	<u>209,803</u>

**3. FUNDRAISING TRADING**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds 2020</b>	<b>Total Funds 2019</b>
	£	£	£	£
Train fares and events	11,378	-	11,378	200,956
Footplate experience	2,508	-	2,508	2,196
Rents and recharge received	23,726	-	23,726	54,027
Miscellaneous sales	6,789	3,927	10,716	16,154
	<u>44,401</u>	<u>3,927</u>	<u>48,328</u>	<u>273,333</u>

**4. INVESTMENT INCOME**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds 2020</b>	<b>Total Funds 2019</b>
	£	£	£	£
Interest receivable	<u>200</u>	<u>720</u>	<u>920</u>	<u>486</u>

**5. OTHER INCOME**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds 2020</b>	<b>Total Funds 2019</b>
	£	£	£	£
Profit on sale of fixed asset	1,200	-	1,200	-
ACE grant income	13,996	-	13,996	-
CJRS grant income	<u>19,020</u>	<u>-</u>	<u>19,020</u>	<u>-</u>
	<u>34,216</u>	<u>-</u>	<u>34,216</u>	<u>-</u>

Notes to the Financial Statements  
for the Year Ended 31 December 2020 – continued

6. CONSOLIDATED TOTAL EXPENDITURE

Consolidated Total Resources Expended	Basis of allocation	Fundraising Trading	Museum & Heritage	Governance Costs	Total 2020	Total 2019
	£	£	£	£	£	£
<b>Cost of sales</b>		64,041	-	-	64,041	227,860
<b>Costs directly allocated to activities</b>						
Santa specials and events	Direct	808	808	-	1,616	66,866
Engine repairs and tools	Direct	172	172	-	344	36,854
Coal, water, and connections	Direct	960	960	-	1,920	30,038
Transport costs	Direct	3,999	-	-	3,999	7,930
Staff salaries and NIC	Direct	107,246	107,246	-	214,492	172,280
Pensions	Direct	-	7,714	-	7,714	6,622
Site work and signals	Direct	2,386	2,386	-	4,772	21,976
Publications and advertising	Direct	2,821	2,788	-	5,609	17,728
Bad debts	Direct	2,357	-	-	2,357	8,780
<b>Support Costs Allocated to Activities</b>						
Staff salaries and NIC	Direct	9,832	-	-	9,832	16,978
Rent, heat, light and insurance	Direct	4,084	76,294	-	80,378	70,833
Repairs and maintenance	Direct	455	3,526	-	3,981	27,018
Printing, stationery, postage and phone	Direct	-	6,472	-	6,472	9,455
Depreciation of fixed assets	Direct	11,435	108,721	-	120,156	101,605
Bank charges and interest	Direct	510	845	-	1,355	5,425
Other direct costs	Direct	-	7,578	-	7,578	16,819
Audit and accountancy	Direct	2,286	-	10,835	13,121	19,019
Legal fees	Direct	-	-	1,221	1,221	8,290
		<u>213,392</u>	<u>325,510</u>	<u>12,056</u>	<u>550,958</u>	<u>872,376</u>



**Midland Railway Trust Limited**  
**Company Limited by Guarantee**

**Notes to the Financial Statements**  
**for the Year Ended 31 December 2020 – continued**

**6. CONSOLIDATED TOTAL EXPENDITURE - continued**

The aggregate group payroll costs were:

	<b>2020</b>	<b>2019</b>
	£	£
Wages and salaries	268,410	233,880
Social Security costs	11,446	12,465
Pension costs	<u>8,649</u>	<u>7,800</u>
	<u>288,505</u>	<u>254,145</u>

Termination costs, included above, amounted to £52,342 (2019: nil).

**Trustees Remuneration and Benefits**

No employees earned £60,000 per annum or more.

The trustees are considered to be the key management personnel. The trustees did not receive any remuneration for the year ended 31 December 2020 nor for the year ended 31 December 2019.

**Trustees Expenses**

Trustees expenditure reimbursed for the year ended 31 December 2020 totalled £201 (2019: £3,311) relating to one (2019: three) trustee for the purposes of travel.

**Particulars of employees:**

The average number of staff employed by the charity during the financial year amounted to:

	<b>2020</b>	<b>2019</b>
	No.	No.
Fundraising and trading activities	3	5
Charitable activities	9	10
Governance	<u>1</u>	<u>1</u>
	<u>13</u>	<u>16</u>

**7. NET (EXPENDITURE)/INCOME FOR THE YEAR**

**Net (expenditure)/income is stated after charging**

	<b>2020</b>	<b>2019</b>
	£	£
Operating lease rentals	1,416	1,776
Auditor's remuneration – holding company	8,075	7,140
Auditor's remuneration – subsidiary company	2,286	534
Auditor's remuneration – non-audit services	2,760	9,000
Depreciation fixed assets	120,156	101,606
Interest on bank borrowings	<u>60</u>	<u>1,185</u>

**Notes to the Financial Statements**  
**for the Year Ended 31 December 2020 – continued**

**8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted Funds £	Restricted Funds £	Total Funds £
<b>Income and Endowments from</b>			
Donations and legacies	194,732	15,071	209,803
Other trading activities	273,333	-	273,333
Investment income	287	199	486
Trading subsidiary income	<u>231,602</u>	<u>-</u>	<u>231,602</u>
<b>Total</b>	<u>699,954</u>	<u>15,270</u>	<u>715,224</u>
<b>Expenditure on</b>			
Raising funds	233,263	-	233,263
Trading subsidiary costs	227,860	-	227,860
Charitable activities	<u>409,022</u>	<u>2,231</u>	<u>411,253</u>
<b>Total</b>	<u>870,145</u>	<u>2,231</u>	<u>872,376</u>
Net gain on investments	-	2,071	2,071
<b>Net income/(expenditure)</b>	(170,191)	15,110	(155,081)
Transfers between funds	84,526	(84,526)	-
Other recognised (losses)	-	(400)	(400)
Net movement in funds before minority interest	(85,665)	(69,816)	(155,481)
Minority interest	<u>27,256</u>	<u>-</u>	<u>27,256</u>
<b>Net movement in funds after minority interest</b>	<u>(58,409)</u>	<u>(69,816)</u>	<u>(128,225)</u>
<b>Balance brought forward - revaluation</b>	-	2,785,909	2,785,909
<b>Balance brought forward - funds</b>	<u>378,227</u>	<u>417,323</u>	<u>795,550</u>
<b>Total funds carried forward</b>	<u>319,818</u>	<u>3,133,416</u>	<u>3,453,234</u>

**9. TANGIBLE FIXED ASSETS**

	Freehold Property £	Long Leasehold £	Plant and Machinery £	Fixtures and Fittings £	Totals £
<b>Group</b>					
<b>Cost/valuation</b>					
As at 1 January 2020	340,500	3,184,782	833,792	70,777	4,429,851
Additions	-	-	100,359	-	100,359
As at 31 December 2020	<u>340,500</u>	<u>3,184,782</u>	<u>934,151</u>	<u>70,777</u>	<u>4,530,210</u>
<b>Depreciation</b>					
As at 1 January 2020	-	928,993	531,670	27,796	1,488,459
Charge for year	-	63,695	45,715	10,746	120,156
As at 31 December 2020	-	<u>992,688</u>	<u>577,385</u>	<u>38,542</u>	<u>1,608,615</u>
<b>Net Book Value</b>					
As at 31 December 2020	<u>340,500</u>	<u>2,192,094</u>	<u>356,766</u>	<u>32,235</u>	<u>2,921,595</u>
As at 31 December 2019	<u>340,500</u>	<u>2,255,789</u>	<u>302,122</u>	<u>42,981</u>	<u>2,941,392</u>

**Midland Railway Trust Limited**  
**Company Limited by Guarantee**

**Notes to the Financial Statements**  
**for the Year Ended 31 December 2020 – continued**

**9. TANGIBLE FIXED ASSETS - continued**

<b>Company</b>	<b>Freehold Property £</b>	<b>Long Leasehold £</b>	<b>Plant and Machinery £</b>	<b>Fixtures and Fittings £</b>	<b>Totals £</b>
<b>Cost/Valuation</b>					
As at 1 January 2020	331,636	3,115,472	823,266	3,726	4,274,100
Additions	-	-	<u>100,359</u>	-	<u>100,359</u>
As at 31 December 2020	<u>331,636</u>	<u>3,115,472</u>	<u>923,625</u>	<u>3,726</u>	<u>4,374,459</u>
<b>Depreciation</b>					
As at 1 January 2020	-	881,265	521,151	932	1,403,348
Charge for year	-	<u>62,309</u>	<u>45,713</u>	<u>699</u>	<u>108,721</u>
As at 31 December 2020	-	<u>943,574</u>	<u>566,864</u>	<u>1,631</u>	<u>1,512,069</u>
<b>Net Book Value</b>					
As at 31 December 2020	<u>331,636</u>	<u>2,171,898</u>	<u>356,761</u>	<u>2,095</u>	<u>2,862,390</u>
As at 31 December 2019	<u>331,636</u>	<u>2,234,207</u>	<u>302,115</u>	<u>2,794</u>	<u>2,870,752</u>

The company's directors/trustees valued the company's assets during 2013.

The land and buildings were valued by Glover Property Consultants, a chartered surveying business.

The plant and equipment were valued by Mr E Green-Hughes, an experienced professional with specialist knowledge of the heritage railway sector.

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	<b>2020 £</b>	<b>2019 £</b>
<b>Net book value at end of year</b>	<u>2,921,595</u>	<u>2,941,392</u>
<b>Historical cost:</b>		
At 1 January 2020	1,474,263	1,417,605
Additions in Year	100,359	56,658
Disposals	-	-
At 31 December 2020	<u>1,574,622</u>	<u>1,474,263</u>
<b>Depreciation:</b>		
At 1 January 2020	923,059	877,322
Charge for Year	64,786	45,737
Depreciation on disposals	-	-
At 31 December 2020	<u>987,845</u>	<u>923,059</u>
<b>Net historical cost value:</b>		
At 31 December 2020	<u>586,777</u>	<u>551,204</u>
At 31 December 2019	<u>551,204</u>	<u>540,283</u>

**Midland Railway Trust Limited**  
**Company Limited by Guarantee**

**Notes to the Financial Statements**  
**for the Year Ended 31 December 2020 – continued**

**10. FIXED ASSET INVESTMENTS**

	<b>Shares in group undertakings</b>	<b>Listed investments</b>	<b>Unlisted investments</b>	<b>Totals</b>
<b>Group</b>	£	£	£	£
<b>MARKET VALUE</b>				
At 1 January 2020	-	11,304	16,858	28,162
(Loss) / gain on revaluation	-	<u>(2,921)</u>	<u>418</u>	<u>(2,503)</u>
As at 31 December 2020	-	<u>8,383</u>	<u>17,276</u>	<u>25,659</u>
<b>NET BOOK VALUE</b>				
At 31 December 2020	-	<u>8,383</u>	<u>17,276</u>	<u>25,659</u>
At 31 December 2019	-	<u>11,304</u>	<u>16,858</u>	<u>28,162</u>

  

	<b>Shares in group undertakings</b>	<b>Listed investments</b>	<b>Unlisted investments</b>	<b>Totals</b>
<b>Company</b>	£	£	£	£
<b>MARKET VALUE</b>				
At 1 January 2020	36,630	11,304	16,858	64,792
(Loss) / gain on revaluation	-	<u>(2,921)</u>	<u>418</u>	<u>(2,503)</u>
As at 31 December 2020	<u>36,630</u>	<u>8,383</u>	<u>17,276</u>	<u>62,289</u>
<b>NET BOOK VALUE</b>				
At 31 December 2020	<u>36,630</u>	<u>8,383</u>	<u>17,276</u>	<u>62,289</u>
At 31 December 2019	<u>36,630</u>	<u>11,304</u>	<u>16,858</u>	<u>64,792</u>

There were no investment assets outside the UK.

The investment by the company in its subsidiary Midland Railway Enterprises PLC (Registered Number 02279310) represents a holding of 29.7% (2019: 29.7%) of the issued share capital but a 89.3% (2019: 89.3%) majority of the voting rights.

A summary of the financial position of Midland Railway Enterprises PLC is as follows:

	<b>2020</b>	<b>2019</b>
	£	£
Shareholders' funds	<u>(37,970)</u>	<u>16,676</u>
Turnover	5,825	231,602
Expenditure	(93,487)	(270,372)
Other income	<u>33,016</u>	<u>-</u>
(Loss) for the financial year	<u>(54,646)</u>	<u>(38,770)</u>

**Notes to the Financial Statements**  
**for the Year Ended 31 December 2020 – continued**

**11. STOCKS**

	<b>Group 2020</b>	<b>Company 2020</b>	<b>Group 2019</b>	<b>Company 2019</b>
	£	£	£	£
Goods for resale	<u>22,883</u>	<u>2,367</u>	<u>24,295</u>	<u>2,374</u>

**12. DEBTORS: Amounts falling due within one year**

	<b>Group 2020</b>	<b>Company 2020</b>	<b>Group 2019</b>	<b>Company 2019</b>
	£	£	£	£
Trade debtors	54,531	54,023	80,578	77,771
Other debtors	16,589	16,589	62,694	62,694
Prepayments and accrued income	7,189	6,531	7,535	7,535
Amounts due from group undertakings	-	125,274	-	67,238
	<u>78,309</u>	<u>202,417</u>	<u>150,807</u>	<u>215,238</u>

**13. CURRENT ASSET INVESTMENTS**

Current asset investments relate to those assets received as a result of bequests which are being actively marketed for sale and consist of the following:

<b>MARKET VALUE</b>	<b>Group and Company 2020</b>
	£
At 1 January 2020	<u>6,900</u>
Carrying Amount:	
At 31 December 2020	<u>6,900</u>
At 31 December 2019	<u>6,900</u>

**14. CREDITORS: Amounts falling due within one year**

	<b>Group 2020</b>	<b>Company 2020</b>	<b>Group 2019</b>	<b>Company 2019</b>
	£	£	£	£
Bank loans	5,833	5,833	-	-
Trade creditors	84,032	80,485	101,088	78,390
Other creditors	1,553	1,553	1,130	1,130
Taxation and social security	13,435	13,435	45,400	45,400
Accruals and deferred income	<u>21,737</u>	<u>19,887</u>	<u>14,316</u>	<u>12,442</u>
	<u>126,590</u>	<u>121,193</u>	<u>161,934</u>	<u>137,362</u>

Other creditors includes £1,282 (2019: £830) in relation to outstanding pension contributions.

**Midland Railway Trust Limited**  
**Company Limited by Guarantee**

**Notes to the Financial Statements**  
**for the Year Ended 31 December 2020 – continued**

**15. CREDITORS: Amounts falling due after more than one year**

	<b>Group 2020</b>	<b>Company 2020</b>	<b>Group 2019</b>	<b>Company 2019</b>
	£	£	£	£
Bank loans	<u>44,167</u>	<u>44,167</u>	<u>-</u>	<u>-</u>

**16. PROVISION FOR LIABILITIES**

	<b>Other Provisions</b>	<b>Total</b>
	£	£
At 1 January 2020	6,084	6,084
Amounts charged against the provision	<u>(605)</u>	<u>(605)</u>
At 31 December 2020	<u>5,479</u>	<u>5,479</u>

The provision for £5,479 relates to an industrial damages claim brought against the charity. The provision is based on the estimated liability for legal costs not covered by insurance.

**17. OBLIGATIONS UNDER LEASE CONTRACTS**

Future rentals payable

Minimum rentals payable under non-cancellable operating leases are as follows:

	<b>2020</b>	<b>2019</b>
	£	£
Not later than one year	1,416	1,776
Later than one and not later than 5 years	<u>-</u>	<u>1,416</u>

**Midland Railway Trust Limited**  
**Company Limited by Guarantee**

**Notes to the Financial Statements**  
**for the Year Ended 31 December 2020 – continued**

**18. MOVEMENT IN FUNDS**

	<b>At 1.1.20</b>	<b>Net movement in funds</b>	<b>Transfer between funds</b>	<b>At 31.12.20</b>
	£	£	£	£
<b>Unrestricted funds</b>				
Unrestricted funds	<u>319,818</u>	<u>(3,172)</u>	<u>207,418</u>	<u>524,064</u>
<b>Restricted funds</b>				
Revaluation reserve	2,718,611	-	(67,298)	2,651,313
Shed fund	199	-	-	199
Standard 5 fund	947	123	(1,070)	-
Friends of Swanwick platform	2,235	3,541	-	5,776
Signalman's fund	2,851	-	-	2,851
Museum fund	510	-	-	510
Railcar fund	698	-	-	698
Narrow gauge fund	6,879	(830)	-	6,049
47445 fund	24,429	-	(24,429)	-
Steam locomotive fund	<u>376,057</u>	<u>8,435</u>	<u>(114,621)</u>	<u>269,871</u>
	<u>3,133,416</u>	<u>11,269</u>	<u>(207,418)</u>	<u>2,937,267</u>
<b>TOTAL FUNDS</b>	<u>3,453,234</u>	<u>8,097</u>		<u>3,461,331</u>

The transfer from the revaluation reserve (to general funds) represents the additional depreciation charge for the year resulting from the revaluation referred to in note 9.

Net movement in funds included in the above are as follows:

	<b>Incoming Resources</b>	<b>Resources Expended</b>	<b>Minority interest</b>	<b>Gains and losses</b>	<b>Movement in funds</b>
	£	£		£	£
<b>Unrestricted funds</b>					
Unrestricted funds	<u>511,072</u>	<u>(549,740)</u>	<u>38,417</u>	<u>(2,921)</u>	<u>(3,172)</u>
<b>Restricted Funds</b>					
Standard 5 fund	123	-	-	-	123
Friends of Swanwick platform	3,591	(50)	-	-	3,541
Narrow gauge fund	338	(1,168)	-	-	(830)
Steam locomotive fund	<u>8,016</u>	<u>-</u>	<u>-</u>	<u>419</u>	<u>8,435</u>
	<u>12,068</u>	<u>(1,218)</u>	<u>-</u>	<u>419</u>	<u>11,269</u>
<b>TOTAL FUNDS</b>	<u>523,140</u>	<u>(550,958)</u>	<u>38,417</u>	<u>(2,502)</u>	<u>(8,097)</u>

**Notes to the Financial Statements**  
**for the Year Ended 31 December 2020 – continued**

**18. MOVEMENT IN FUNDS - CONTINUED**

**Comparatives for movement in funds**

	<b>At 1.1.19</b>	<b>Net movement in funds</b>	<b>Transfer between funds</b>	<b>At 31.12.19</b>
	£	£	£	£
<b>Unrestricted funds</b>				
Unrestricted funds	<u>378,227</u>	<u>(142,935)</u>	<u>84,526</u>	<u>319,818</u>
<b>Restricted funds</b>				
Revaluation reserve	2,785,909	-	(67,298)	2,718,611
Shed fund	199	-	-	199
Standard 5 fund	514	433	-	947
Friends of Swanwick platform	3,875	(1,640)	-	2,235
Signalman's fund	2,861	(10)	-	2,851
Museum fund	510	-	-	510
Railcar fund	698	-	-	698
Narrow gauge fund	6,879	-	-	6,879
47445 fund	28,326	13,331	(17,228)	24,429
Steam locomotive fund	<u>373,461</u>	<u>2,596</u>	<u>-</u>	<u>376,057</u>
	<u>3,203,232</u>	<u>14,710</u>	<u>(84,526)</u>	<u>3,133,416</u>
<b>TOTAL FUNDS</b>	<u>3,581,459</u>	<u>(128,225)</u>	<u>-</u>	<u>3,453,234</u>

**Comparative net movement in funds, included in the above are as follows:**

	<b>Incoming Resources</b>	<b>Resources Expended</b>	<b>Minority interest</b>	<b>Gains and losses</b>	<b>Movement in funds</b>
	£	£		£	£
<b>Unrestricted funds</b>					
Unrestricted funds	<u>699,954</u>	<u>(870,145)</u>	<u>27,256</u>	<u>-</u>	<u>(142,935)</u>
<b>Restricted Funds</b>					
Museum development fund	500	(500)	-	-	-
Standard 5 fund	433	-	-	-	433
Friends of Swanwick platform	70	(1,710)	-	-	(1,640)
Signalman's fund	11	(21)	-	-	(10)
47445 fund	13,331	-	-	-	13,331
Steam locomotive fund	<u>925</u>	<u>-</u>	<u>-</u>	<u>1,671</u>	<u>2,596</u>
	<u>15,270</u>	<u>(2,231)</u>	<u>-</u>	<u>1,671</u>	<u>14,710</u>
<b>TOTAL FUNDS</b>	<u>715,224</u>	<u>(872,376)</u>	<u>27,256</u>	<u>1,671</u>	<u>(128,225)</u>

The Museum Development fund represents a grant received from Museum Development East Midlands to fund a project to seek to improve the quality of customer care in support of working towards museum accreditation.

The Shed fund is made up of monies raised specifically to fund the maintenance and improvement of the shed area of the premises.



**Midland Railway Trust Limited**  
**Company Limited by Guarantee**

**Notes to the Financial Statements**  
**for the Year Ended 31 December 2020 – continued**

**18. MOVEMENT IN FUNDS - CONTINUED**

The Standard 5 fund represents donations given specifically for the restoration of this locomotive.

The Friends of Swanwick platform fund represents monies raised to maintain and improve the area of the Swanwick Junction station.

The Signaller's fund is made up of monies raised to maintain the signal boxes.

The Museum fund represents donations given to support museum activity.

The Railcar fund is made up on monies raised to maintain and improve the railcar fleet.

The Narrow Gauge fund represents monies raised to support the running of the narrow gauge railway.

The 47445 fund represents donations given for the restoration of locomotive number 47445.

The Steam locomotive fund represents a legacy given specifically for the purchase or restoration of steam locomotives.

General fund represents the general funds of the charity, which are not designated for particular purposes.

Of the retained surplus/(deficit) for the year £24,326 (2019: (£116,708)) relates to a surplus/(deficit) of the parent undertaking. Gross income of the parent undertaking excluding any donations received from its subsidiary totalled £484,299 (2019: £483,625).

**19. ANALYSIS OF NET ASSETS OF GROUP (between restricted and unrestricted funds)**

	<b>Restricted</b>	<b>Unrestricted</b>	<b>Total</b>
	£	£	£
Tangible Fixed Assets	2,651,313	270,282	2,921,595
Investments	17,276	8,383	25,659
Other Assets	268,678	394,942	663,620
Liabilities	-	(170,757)	(170,757)
Provisions for Liabilities	-	(5,479)	(5,479)
Net Assets	<u>2,937,267</u>	<u>497,371</u>	<u>3,434,638</u>

**20. COMPANY LIMITED BY GUARANTEE**

Midland Railway Trust Limited is a company limited by guarantee not having share capital. In the event of a winding up of the company every member agrees to contribute such amount as may be required (not exceeding £1) to the charity's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member, and of the costs, charge and expenses of winding up, and for the adjustment for the rights of the contributories among themselves.

**Midland Railway Trust Limited**  
**Company Limited by Guarantee**

**Notes to the Financial Statements**  
**for the Year Ended 31 December 2020 – continued**

**21. MINORITY INTEREST**

The minority interest is in respect of a 70.3% (2019: 70.3%) shareholding in Midland Railways Enterprises PLC which carried only 10.7% (2019: 10.7%) voting rights and totals an asset of £26,693 (2019: liability of £11,724) and a credit to the income and expenditure account of £38,417 (2019: £27,256).

**22. RELATED PARTY TRANSACTIONS**

During the year the charity received the following interest-free loans from its trustees or former trustees:

	Balance at 1 January 2020	Loans Received	Repayments Made	Balance at 31 December 2020
	£	£	£	£
C and A Deeth	475	-	475	-
E and P Draper	(88)	-	(88)	-
S Evans	<u>396</u>	<u>-</u>	<u>-</u>	<u>396</u>
	<u>783</u>	<u>-</u>	<u>387</u>	<u>396</u>

**23. ULTIMATE CONTROLLING PARTY**

The Trustees are responsible for the overall management and control of the Charity.

**24. EXCEPTIONAL ITEM**

Work was undertaken to quantify the liability arising from adjustments to the output VAT declared by the charity and as a result of the process applied to determine VAT input tax recovery. The Trustees estimated the level of the liability to be in the region of £90,000 and a provision was introduced for the amount in the 2018 financial statements. During 2019, H M Revenue & Customs agreed a liability of £45,644 which remained outstanding as a liability at the 2019 year end with the over provision of £44,356 being subject to a reversal in 2019. The liability of £45,644 has been cleared during 2020.