

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 2021
for
Midland Railway Trust Limited
Company Limited By Guarantee**

Midland Railway Trust Limited
Company Limited by Guarantee

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for the Year Ended 31 December 2021

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

**Trustees' Report
for the Year Ended 31 December 2021**

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 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. 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. 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. The Midland Railway Trust Board make strategic decisions which are affected by volunteers and the team of salaried staff. Feedback paths for safety and efficiency related comments exist and are encouraged by the Board.

The Operations Committee are a stand-alone committee which meet periodically to enact the requirements for traffic of the Trust Board. The Operations Committee release Weekly Operating Notices (WON) to govern the operation of trains, and the requirements of the WON are enacted by the Volunteers and managed locally by senior volunteers. Salaried Staff input on specific engineering operations, finance and events and marketing dependent upon individual role.

The Liaison and Planning concern new developments and admissions to the railway, and feedback requirements and decisions to the MR-B board, as well as escalating decisions where necessary. The MR-B board interact with the Midland Railway Enterprises board, whose requirements for events are passed to the Events Committee.

The Events Committee liaise with Operations to ensure relevant requirements are planned and delivered – and report on any Operational constraints that may impact Event plans. The salaried staff position of Events and Marketing manager has a direct link with bi-directional requirements/requests with the Events and Marketing Committee. Remuneration of staff is managed by the MRT board and performance judged against contracted requirements.

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Trustees' Report
for the Year Ended 31 December 2021 - continued

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.

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

2021 saw the Midland Railway – Butterley (MR-B) re-open to visitors effectively half way through the calendar year. The new approach saw a volunteer lead railway, focussed on maximising margin wherever possible to create a sustainable entity moving forward in an unpredictable post Covid-19 climate.

Trustees' Report
for the Year Ended 31 December 2021 – continued

New events were introduced to the schedule in a manner that could be flexible enough to suit legacy Covid issues in tourism whilst adhering to the MR-B's mission statement. The operation has been heavily reliant on Diesel trains to reduce financial exposure as numbers slowly recovered. Key events such as Santa Special Trains returned and were well patronised and popular. The offering for the Santa Special was optimised within tight budgets to improve passenger experience, with further expansion of service and streamlining of processes planned for the forthcoming financial year based on experience gained in the '21 season.

Investment in infrastructure and rolling stock continues – with a view to increasingly strategic renewals as the MR-B moves forwards.

2021 saw a reopening of facilities and resumption of passenger operation. This focussed on weekend and school holiday opening. Alternative income streams from external companies (for training and storage) continues to be a feature of the business.

Focus on reducing cost base and improving offering has been key, allowing investment to progress as planned.

Financial Review

The results for the year are shown in the statement of financial activities shown on page 11. Total income of the Midland Railway Trust Limited, excluding trading income from its subsidiary was £396,474 (2020: £484,299). The total income of the group was £433,288 (2020: £523,140).

The table below gives an insight into performance over recent years:

	2021	2020	2019	2018	2017
Visitor numbers	11,167	Nil	28,447	29,318	34,002
	£	£	£	£	£
Total income and endowments	433,288	523,140	715,224	1,176,454	1,251,732
Retained (outgoings)/incoming resources after minority interest	(52,050)	8,097	(128,225)	61,811	431,572

2020: closure due to government restriction and covid pandemic

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. Our reserve policy has been set at £200,000 based on the 2020 levels for these items.

The unrestricted funds total £619,868 (2020: £524,064). Available reserves which exclude tangible fixed assets, designated funds and the minority interest total £283,076 (2020: £277,089).

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.

Trustees' Report
for the Year Ended 31 December 2021 – continued

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.

Volunteers

Employment cost pressures exist, albeit the absolute impact on costs in the short term has been limited with a number of redundancies resulting in the group and charitable company becoming a much more volunteer focused organisation.

The Midland Railway Trust carries a great deal of its work with volunteers taking part in a wide range of differing activities.

Maintenance and restoration – helping with engineering maintenance for track, carriage and locomotives, restoration skills for railway vehicles, building maintenance, and gardening and landscaping.

Operational – to drive and fire our locomotives, to act as guards, ticket inspectors, signalmen, platform staff, ticket office staff and administrative services.

Visitor services – working in our shops, buffets and bars, to organise and assist with the running of events, to staff the museum and to welcome our visitors and assist them when required.

The trustees wish to thank those many volunteers who give their time to the various projects. In total this represents hours of work which cannot possibly be valued, but without which the Midland Railway Trust would not exist.

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
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Trustees' Report
for the Year Ended 31 December 2021 - 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

E J Draper

N J Forster

A J Asling – appointed 3 March 2021

A H Homer – appointed 3 March 2021, resigned 3 March 2022

C G Johnson – appointed 3 March 2021

M G Owen – appointed 3 March 2022

Senior Management Personnel

The Trustees delegated day-to-day management to the general manager, P Pomfret who ceased to work for the organisation during the financial period. Day-to-day management is now completed by the Trustees.

Company Secretary

W P Featherstone

Auditors

Mabe Allen LLP

Chartered Accountants

Statutory Auditors

50 Osmaston Road

Derby

DE1 2HU

Bankers

Clydesdale Bank PLC

30 St Vincent Place

Glasgow

G1 2HL

Midland Railway Trust Limited
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Trustees' Report
for the Year Ended 31 December 2021 – 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 26.10.22 and signed on the board's behalf by:


.....
Trustee – R Ward

26.10.22
.....
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 2021 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 2021 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 ongoing liquidity issues and the aftermath of 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.

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. 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 26/10/2022

Midland Railway Trust Limited
Company Limited by Guarantee

Consolidated Statement of Financial Activities (including Income and Expenditure Account)
for the year ended 31 December 2021

	Note	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	165,787	15,707	181,494	433,851
Other trading activities	3	214,980	-	214,980	48,328
Investment income	4	-	-	-	920
Other income	5	-	-	-	34,216
Trading subsidiary income		<u>36,814</u>	<u>-</u>	<u>36,814</u>	<u>5,825</u>
Total income and endowments		<u>417,581</u>	<u>15,707</u>	<u>433,288</u>	<u>523,140</u>
EXPENDITURE ON:					
Raising funds	6	117,792	-	117,792	149,351
Trading subsidiary costs		24,816	-	24,816	64,041
Charitable activities	6	<u>347,807</u>	<u>-</u>	<u>347,807</u>	<u>337,566</u>
Total expenditure	6	<u>490,415</u>	<u>-</u>	<u>490,415</u>	<u>550,958</u>
Net gain/(loss) on investments		<u>(1,608)</u>	<u>1,737</u>	<u>129</u>	<u>(2,502)</u>
Net (expenditure)/income	7	(74,442)	17,444	(56,998)	(30,320)
Transfers between funds		<u>165,298</u>	<u>(165,298)</u>	<u>-</u>	<u>-</u>
Net (outgoing)/incoming resources before minority interest		90,856	(147,854)	(56,998)	(30,320)
Minority interest		<u>4,948</u>	<u>-</u>	<u>4,948</u>	<u>38,417</u>
Retained (outgoing)/incoming resources after minority interest		<u>95,804</u>	<u>(147,854)</u>	<u>(52,050)</u>	<u>8,097</u>
Balance brought forward - revaluation		-	2,651,313	2,651,313	2,718,611
Balances brought forward - funds		<u>524,064</u>	<u>285,954</u>	<u>810,018</u>	<u>734,623</u>
Balances carried forward		<u>619,868</u>	<u>2,789,413</u>	<u>3,409,281</u>	<u>3,461,331</u>

The notes form part of these financial statements.

Midland Railway Trust Limited
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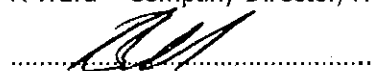
(Registered Number: 01097382)

Consolidated and Company Balance Sheet
for the year ended 31 December 2021

		2021		2020	
		Group	Company	Group	Company
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	9	2,889,166	2,832,326	2,921,595	2,862,390
Investments	10	<u>25,789</u>	<u>62,419</u>	<u>25,659</u>	<u>62,289</u>
		<u>2,914,955</u>	<u>2,894,745</u>	<u>2,947,254</u>	<u>2,924,679</u>
CURRENT ASSETS					
Stocks	11	18,830	619	22,883	2,367
Debtors	12	144,812	261,401	78,309	202,417
Current asset investments	13	6,900	6,900	6,900	6,900
Cash at bank and in hand		<u>415,825</u>	<u>408,044</u>	<u>555,528</u>	<u>543,714</u>
		<u>586,367</u>	<u>676,964</u>	<u>663,620</u>	<u>755,398</u>
CREDITORS					
Amounts falling due within one year	14	<u>(84,036)</u>	<u>(72,784)</u>	<u>(126,590)</u>	<u>(121,193)</u>
NET CURRENT ASSETS		<u>502,331</u>	<u>604,180</u>	<u>537,030</u>	<u>634,205</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,417,286	3,498,925	3,484,284	3,558,884
CREDITORS					
Amounts falling due after more than one year	15	(34,167)	(34,167)	(44,167)	(44,167)
PROVISIONS FOR LIABILITIES	17	(5,479)	(5,479)	(5,479)	(5,479)
NET ASSETS		<u>3,377,640</u>	<u>3,459,279</u>	<u>3,434,638</u>	<u>3,509,238</u>
FUNDS					
Restricted funds	19	205,398	87,953	285,954	160,332
Revaluation reserve	19	2,584,015	2,584,015	2,651,313	2,651,313
Unrestricted funds	19	<u>619,868</u>	<u>787,311</u>	<u>524,064</u>	<u>697,593</u>
Funds available to the group	19	3,409,281	3,459,279	3,461,331	3,509,238
Minority interest	22	<u>(31,641)</u>	-	<u>(26,693)</u>	-
TOTAL FUNDS		<u>3,377,640</u>	<u>3,459,279</u>	<u>3,434,638</u>	<u>3,509,238</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 26.10.22 and were signed on their behalf by:

R 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 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Cash generated from operations	1	(29,347)	120,765
(Gains)/losses on investments		<u>(129)</u>	<u>2,502</u>
Net cash provided by operating activities		<u>(29,476)</u>	<u>123,267</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(110,227)	(100,359)
Sale of tangible fixed assets		=	<u>1,200</u>
Net cash used by investing activities		<u>(110,227)</u>	<u>(99,159)</u>
Cash flows from financing activities:			
New loans in year		=	<u>50,000</u>
Net cash provided by financing activities		=	<u>50,000</u>
Change in cash and cash equivalents in the reporting period		(139,703)	74,108
Cash and cash equivalents at the beginning of the reporting period	2	<u>555,528</u>	<u>481,420</u>
Cash and cash equivalents at the end of the reporting period	2	<u>415,825</u>	<u>555,528</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 2021

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

	2021	2020
	£	£
Net (expenditure) for the reporting period (as per the statement of financial activities)	(56,998)	(30,320)
Adjustments for:		
Depreciation charges	142,655	120,156
Profit on disposal of fixed assets	-	(1,200)
Decrease in stocks	4,053	1,412
(Increase)/decrease in debtors	(66,503)	72,499
(Decrease) in creditors	(52,554)	(41,782)
Net cash provided by operating activities	<u>(29,347)</u>	<u>120,765</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021	2020
	£	£
Notice deposits (less than 3 months)	415,825	555,528
Total cash and cash equivalents	<u>415,825</u>	<u>555,528</u>

The notes form part of these financial statements.

Notes to the Financial Statements
for the Year Ended 31 December 2021

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 realised a deficit for the year of £52,050 (2020: surplus £8,097) 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 cashflow 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 and a number of new events are being assessed to bring in additional revenue.

The trustees believe that from the date of approval of these financial statements, 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 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.

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.

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

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

**Notes to the Financial Statements
for the Year Ended 31 December 2021 - 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 recovery of income to pre-covid levels for the group and charitable company's activities. However, it is possible that future site closure may be needed as a result of a resurgence of covid, and/or the recovery profile is slower than expected due to a fall in the level of discretionary income available to individuals due to the cost-of-living crisis. The anticipated increases in consumer demand and elevated revenue per visitor may not arise leading to pressures on the liquidity of the group or charitable company.

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 5. 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 £117,097 (2020: £125,274).

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 2021 - 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 2021 - 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 2021 – 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.

Midland Railway Trust Limited
Company Limited by Guarantee

Notes to the Financial Statements
for the Year Ended 31 December 2021 – 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 2021 – continued

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds	Restricted Funds	Total funds 2021	Total funds 2020
	£	£	£	£
Legacies	18,682	-	18,682	84,675
Donations and subscriptions	104,581	15,707	120,288	71,361
Grants	<u>42,524</u>	<u>-</u>	<u>42,524</u>	<u>277,815</u>
	<u>165,787</u>	<u>15,707</u>	<u>181,494</u>	<u>433,851</u>

3. FUNDRAISING TRADING

	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£
Train fares and events	110,146	-	110,146	11,378
Footplate experience	-	-	-	2,508
Rents and recharge received	97,192	-	97,192	23,726
Miscellaneous sales	<u>7,642</u>	<u>-</u>	<u>7,642</u>	<u>10,716</u>
	<u>214,980</u>	<u>-</u>	<u>214,980</u>	<u>48,328</u>

4. INVESTMENT INCOME

	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£
Interest receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>920</u>

5. OTHER INCOME

	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£
Profit on sale of fixed asset	-	-	-	1,200
ACE grant income	-	-	-	13,996
CJRS grant income	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,020</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,216</u>

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

**Notes to the Financial Statements
for the Year Ended 31 December 2021 – continued**

6. CONSOLIDATED TOTAL EXPENDITURE

Consolidated Total Resources Expended	Basis of allocation	Fundraising Trading	Museum & Heritage	Governance Costs	Total 2021	Total 2020
	£	£	£	£	£	£
Cost of sales		24,816	-	-	24,816	64,041
Costs directly allocated to activities						
Santa specials and events	Direct	13,732	13,732	-	27,464	1,616
Engine repairs and tools	Direct	12,092	12,092	-	24,184	344
Coal, water, and connections	Direct	9,089	9,089	-	18,178	1,920
Transport costs	Direct	1,410	-	-	1,410	3,999
Staff salaries and NIC	Direct	34,502	34,502	-	69,004	214,492
Pensions	Direct	-	2,392	-	2,392	7,714
Site work and signals	Direct	10,888	10,888	-	21,776	4,772
Publications and advertising	Direct	2,399	2,399	-	4,798	5,609
Bad debts	Direct	14,643	-	-	14,643	2,357
Support Costs Allocated to Activities						
Staff salaries and NIC	Direct	-	-	-	-	9,832
Rent, heat, light and insurance	Direct	3,233	55,394	-	58,627	80,378
Repairs and maintenance	Direct	1,431	40,374	-	41,805	3,981
Printing, stationery, postage and phone	Direct	-	2,921	-	2,921	6,472
Depreciation of fixed assets	Direct	11,108	131,548	-	142,656	120,156
Bank charges and interest	Direct	706	14,317	-	15,023	1,355
Other direct costs	Direct	-	4,912	-	4,912	7,578
Audit and accountancy	Direct	2,559	-	13,247	15,806	13,121
Legal fees	Direct	-	-	-	-	1,221
		<u>142,608</u>	<u>334,560</u>	<u>13,247</u>	<u>490,415</u>	<u>550,958</u>

Midland Railway Trust Limited
Company Limited by Guarantee

Notes to the Financial Statements
for the Year Ended 31 December 2021 – continued

6. CONSOLIDATED TOTAL EXPENDITURE - continued

The aggregate group payroll costs were:

	2021	2020
	£	£
Wages and salaries	68,414	268,410
Social Security costs	745	11,446
Pension costs	<u>2,392</u>	<u>8,649</u>
	<u>71,551</u>	<u>288,505</u>

Termination costs, included above, amounted to £1,614 (2020: 52,342).

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 2021 nor for the year ended 31 December 2020.

Trustees Expenses

Trustees expenditure reimbursed for the year ended 31 December 2021 totalled £991 (2020: £201) relating to two (2020: one) trustees for the purposes of travel.

Particulars of employees:

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

	2021	2020
	No.	No.
Fundraising and trading activities	1	3
Charitable activities	3	9
Governance	<u>-</u>	<u>1</u>
	<u>4</u>	<u>13</u>

7. NET (EXPENDITURE)/INCOME FOR THE YEAR

Net (expenditure)/income is stated after charging

	2021	2020
	£	£
Operating lease rentals	-	1,416
Auditor's remuneration – holding company	10,000	8,075
Auditor's remuneration – subsidiary company	2,559	2,286
Auditor's remuneration – non-audit services	3,247	2,760
Depreciation fixed assets	142,656	120,156
Interest on bank borrowings	<u>675</u>	<u>60</u>

Midland Railway Trust Limited
Company Limited by Guarantee

Notes to the Financial Statements
for the Year Ended 31 December 2021 – continued

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Income and Endowments from			
Donations and legacies	426,430	7,421	433,851
Other trading activities	44,401	3,927	48,328
Investment income	200	720	920
Other income	34,216	-	34,216
Trading subsidiary income	<u>5,825</u>	<u>-</u>	<u>5,825</u>
Total	<u>511,072</u>	<u>12,068</u>	<u>523,140</u>
Expenditure on			
Raising funds	149,351	-	149,351
Trading subsidiary costs	64,041	-	64,041
Charitable activities	<u>336,348</u>	<u>1,218</u>	<u>337,566</u>
Total	<u>549,740</u>	<u>1,218</u>	<u>550,958</u>
Net (loss)/gain on investments	<u>(2,921)</u>	<u>419</u>	<u>(2,502)</u>
Net (expenditure)/income	<u>(41,589)</u>	<u>11,269</u>	<u>(30,320)</u>
Transfers between funds	<u>207,418</u>	<u>(207,418)</u>	<u>-</u>
Net movement in funds before minority interest	165,829	(196,149)	(30,320)
Minority interest	<u>38,417</u>	<u>-</u>	<u>38,417</u>
Net movement in funds after minority interest	<u>204,246</u>	<u>(196,149)</u>	<u>8,097</u>
Balance brought forward - revaluation	-	2,718,611	2,718,611
Balance brought forward - funds	<u>319,818</u>	<u>414,805</u>	<u>734,623</u>
Total funds carried forward	<u>524,064</u>	<u>2,937,267</u>	<u>3,461,331</u>

9. TANGIBLE FIXED ASSETS

	Freehold Property £	Long Leasehold £	Plant and Machinery £	Fixtures and Fittings £	Totals £
Group					
Cost/valuation					
As at 1 January 2021	340,500	3,184,782	934,151	70,777	4,530,210
Additions	-	-	<u>101,483</u>	<u>8,744</u>	<u>110,227</u>
As at 31 December 2021	<u>340,500</u>	<u>3,184,782</u>	<u>1,035,634</u>	<u>79,521</u>	<u>4,640,437</u>
Depreciation					
As at 1 January 2021	-	992,688	577,385	38,542	1,608,615
Charge for year	-	<u>63,695</u>	<u>68,717</u>	<u>10,244</u>	<u>142,656</u>
As at 31 December 2021	-	<u>1,056,383</u>	<u>646,102</u>	<u>48,786</u>	<u>1,751,271</u>
Net Book Value					
As at 31 December 2021	<u>340,500</u>	<u>2,128,399</u>	<u>389,532</u>	<u>30,735</u>	<u>2,889,166</u>
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>

Midland Railway Trust Limited
Company Limited by Guarantee

Notes to the Financial Statements
for the Year Ended 31 December 2021 – continued

9. TANGIBLE FIXED ASSETS - continued

Company	Freehold Property £	Long Leasehold £	Plant and Machinery £	Fixtures and Fittings £	Totals £
Cost/Valuation					
As at 1 January 2021	331,636	3,115,472	923,625	3,726	4,374,459
Additions	-	-	101,483	-	101,483
As at 31 December 2021	<u>331,636</u>	<u>3,115,472</u>	<u>1,025,108</u>	<u>3,726</u>	<u>4,475,942</u>
Depreciation					
As at 1 January 2021	-	943,574	566,864	1,630	1,512,068
Charge for year	-	62,309	68,715	524	131,548
As at 31 December 2021	-	<u>1,005,883</u>	<u>635,579</u>	<u>2,154</u>	<u>1,643,616</u>
Net Book Value					
As at 31 December 2021	<u>331,636</u>	<u>2,109,589</u>	<u>389,529</u>	<u>1,572</u>	<u>2,832,326</u>
As at 31 December 2020	<u>331,636</u>	<u>2,171,898</u>	<u>356,761</u>	<u>2,096</u>	<u>2,862,391</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:

	2021 £	2020 £
Net book value at end of year	<u>2,889,166</u>	<u>2,921,595</u>
Historical cost:		
At 1 January 2021	1,574,622	1,474,263
Additions in Year	110,227	100,359
Disposals	-	-
At 31 December 2021	<u>1,684,849</u>	<u>1,574,622</u>
Depreciation:		
At 1 January 2021	987,845	923,059
Charge for Year	87,758	64,786
Depreciation on disposals	-	-
At 31 December 2021	<u>1,075,603</u>	<u>987,845</u>
Net historical cost value:		
At 31 December 2021	<u>609,246</u>	<u>586,777</u>
At 31 December 2020	<u>586,777</u>	<u>551,204</u>

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for the Year Ended 31 December 2021 – continued

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings	Listed investments	Unlisted investments	Totals
Group	£	£	£	£
MARKET VALUE				
At 1 January 2021	-	8,383	17,276	25,659
(Loss) / gain on revaluation	-	(1,608)	1,738	130
As at 31 December 2021	-	<u>6,775</u>	<u>19,014</u>	<u>25,789</u>
NET BOOK VALUE				
At 31 December 2021	-	<u>6,775</u>	<u>19,014</u>	<u>25,789</u>
At 31 December 2020	-	<u>8,383</u>	<u>17,276</u>	<u>25,659</u>

	Shares in group undertakings	Listed investments	Unlisted investments	Totals
Company	£	£	£	£
MARKET VALUE				
At 1 January 2021	36,630	8,383	17,276	62,289
(Loss) / gain on revaluation	-	(1,608)	1,738	130
As at 31 December 2021	<u>36,630</u>	<u>6,775</u>	<u>19,014</u>	<u>62,419</u>
NET BOOK VALUE				
At 31 December 2021	<u>36,630</u>	<u>6,775</u>	<u>19,014</u>	<u>62,419</u>
At 31 December 2020	<u>36,630</u>	<u>8,383</u>	<u>17,276</u>	<u>62,289</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% (2020: 29.7%) of the issued share capital but a 89.3% (2020: 89.3%) majority of the voting rights.

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

	2021	2020
	£	£
Shareholders' funds	<u>(45,009)</u>	<u>(37,970)</u>
Turnover	36,814	5,825
Expenditure	43,853	(93,487)
Other income	-	33,016
(Loss) for the financial year	<u>(7,039)</u>	<u>(54,646)</u>

Midland Railway Trust Limited
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Notes to the Financial Statements
for the Year Ended 31 December 2021 – continued

11. STOCKS

	Group 2021	Company 2021	Group 2020	Company 2020
	£	£	£	£
Goods for resale	<u>18,830</u>	<u>619</u>	<u>22,883</u>	<u>2,367</u>

12. DEBTORS: Amounts falling due within one year

	Group 2021	Company 2021	Group 2020	Company 2020
	£	£	£	£
Trade debtors	123,099	122,591	54,531	54,023
Other debtors	21,713	21,713	16,589	16,589
Prepayments and accrued income	-	-	7,189	6,531
Amounts due from group undertakings	-	<u>117,097</u>	-	<u>125,274</u>
	<u>144,812</u>	<u>261,401</u>	<u>78,309</u>	<u>202,417</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:

MARKET VALUE	Group and Company 2021
	£
At 1 January 2021	<u>6,900</u>
Carrying Amount:	
At 31 December 2021	<u>6,900</u>
At 31 December 2020	<u>6,900</u>

14. CREDITORS: Amounts falling due within one year

	Group 2021	Company 2021	Group 2020	Company 2020
	£	£	£	£
Bank loans	10,000	10,000	5,833	5,833
Trade creditors	55,253	48,411	84,032	80,485
Other creditors	528	528	1,553	1,553
Taxation and social security	484	484	13,435	13,435
Accruals and deferred income	<u>17,771</u>	<u>13,361</u>	<u>21,737</u>	<u>19,887</u>
	<u>84,036</u>	<u>72,784</u>	<u>126,590</u>	<u>121,193</u>

Other creditors includes £132 (2020: £1,282) in relation to outstanding pension contributions.

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Notes to the Financial Statements
for the Year Ended 31 December 2021 – continued

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

	Group 2021	Company 2021	Group 2020	Company 2020
	£	£	£	£
Bank loans – due between one and five years	34,167	34,167	40,000	40,000
Bank loans – due after more than five years	-	-	<u>4,167</u>	<u>4,167</u>
	<u>34,167</u>	<u>34,167</u>	<u>44,167</u>	<u>44,167</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	2021	2020
	£	£
Bank loans	<u>44,167</u>	<u>50,000</u>

Liabilities are secured by a debenture creating a fixed and floating charge over the assets of the company, and a legal first charge over Cumberland House.

17. PROVISION FOR LIABILITIES

	Other Provisions	Total
	£	£
At 1 January 2021 and 31 December 2021	<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.

18. OBLIGATIONS UNDER LEASE CONTRACTS

Future rentals payable

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

	2021	2020
	£	£
Not later than one year	<u>-</u>	<u>1,416</u>

Midland Railway Trust Limited
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Notes to the Financial Statements
for the Year Ended 31 December 2021 – continued

19. MOVEMENT IN FUNDS

	At 1.1.21	Net movement in funds	Transfer between funds	At 31.12.21
	£	£	£	£
Unrestricted funds				
Unrestricted funds	<u>524,064</u>	<u>(69,494)</u>	<u>165,298</u>	<u>619,868</u>
Restricted funds				
Revaluation reserve	2,651,313	-	(67,298)	2,584,015
Shed fund	199	-	-	199
Friends of Swanwick platform	5,776	-	-	5,776
Signalman's fund	2,851	-	-	2,851
Museum fund	510	-	-	510
Railcar fund	698	-	-	698
Narrow gauge fund	6,049	-	-	6,049
Steam locomotive fund	<u>269,871</u>	<u>17,444</u>	<u>(98,000)</u>	<u>189,315</u>
	<u>2,937,267</u>	<u>17,444</u>	<u>(165,298)</u>	<u>2,789,413</u>
TOTAL FUNDS	<u>3,461,331</u>	<u>(52,050)</u>	<u>-</u>	<u>3,409,281</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:

	Incoming Resources	Resources Expended	Minority interest	Gains and losses	Movement in funds
	£	£		£	£
Unrestricted funds					
Unrestricted funds	<u>417,581</u>	<u>(490,415)</u>	<u>4,948</u>	<u>(1,608)</u>	<u>(69,494)</u>
Restricted Funds					
Steam locomotive fund	<u>15,707</u>	<u>-</u>	<u>-</u>	<u>1,737</u>	<u>17,444</u>
TOTAL FUNDS	<u>433,288</u>	<u>(490,415)</u>	<u>4,948</u>	<u>129</u>	<u>(52,050)</u>

Midland Railway Trust Limited
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Notes to the Financial Statements
for the Year Ended 31 December 2021 – continued

19. MOVEMENT IN FUNDS - CONTINUED

Comparatives for movement in funds

	At 1.1.20	Net movement in funds	Transfer between funds	At 31.12.20
	£	£	£	£
Unrestricted funds				
Unrestricted funds	<u>319,818</u>	<u>(3,172)</u>	<u>207,418</u>	<u>524,064</u>
Restricted funds				
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>
TOTAL FUNDS	<u>3,453,234</u>	<u>8,097</u>	<u>-</u>	<u>3,461,331</u>

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

	Incoming Resources	Resources Expended	Minority interest	Gains and losses	Movement in funds
	£	£		£	£
Unrestricted funds					
Unrestricted funds	<u>511,072</u>	<u>(549,740)</u>	<u>38,417</u>	<u>(2,921)</u>	<u>(3,172)</u>
Restricted Funds					
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>
TOTAL FUNDS	<u>523,140</u>	<u>(550,958)</u>	<u>38,417</u>	<u>(2,502)</u>	<u>(8,097)</u>

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

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Notes to the Financial Statements
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19. 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 Signalman'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 (deficit)/surplus for the year (£49,959) (2020: £24,326) relates to a surplus/(deficit) of the parent undertaking. Gross income of the parent undertaking excluding any donations received from its subsidiary totalled £396,474 (2020: £484,299).

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

	Restricted	Unrestricted	Total
	£	£	£
Tangible Fixed Assets	2,584,015	305,151	2,889,166
Investments	19,014	6,775	25,789
Other Assets	186,384	399,983	586,367
Liabilities	-	(118,203)	(118,203)
Provisions for Liabilities	-	(5,479)	(5,479)
Net Assets	<u>2,789,413</u>	<u>588,227</u>	<u>3,377,640</u>

21. 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.

22. MINORITY INTEREST

The minority interest is in respect of a 70.3% (2020: 70.3%) shareholding in Midland Railways Enterprises PLC which carried only 10.7% (2020: 10.7%) voting rights and represents an asset of £31,641 (2020: asset of £26,693) and a credit to the income and expenditure account of £4,948 (2020: £38,417).

23. RELATED PARTY TRANSACTIONS

The charity has received an interest-free loan from a former trustee, S Evans. Throughout the previous and current year, there has been no movement in the balance which stands at £396.

The charity paid for services totalling £24 to C Forster and reimbursed expenses totalling £1,493 to L Ward. Both are close family members of current Trustees.

At 31 December 2021 a creditor balance of £1,646 exists, due to L Ward.

24. ULTIMATE CONTROLLING PARTY

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