

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY

England & Wales · Charity number 514939

Details

Other names SOUTH TYNEDALE RAILWAY

Status Registered

Legal form Charitable company

Company number [01850832](#)

Registered 1986-02-10

Register [View on the Charity Commission register](#)

Contact

Address South Tynedale Railway Ltd
The Railway Station
Alston
CA9 3JB

Phone 01434382828

Email enquiries@south-tynedale-railway.org.uk

Website www.south-tynedale-railway.org.uk

Activities

Objects: TO PRESERVE FOR THE PUBLIC BENEFIT STEAM AND OTHER RAILWAY LOCOMOTIVES AND ROLLING STOCK, MACHINERY AND EQUIPMENT OF EDUCATIONAL AND HISTORICAL INTEREST. (FOR FURTHER DETAILS SEE CLAUSE 3(1) (A) TO (X).

Activities: Preservation, maintenance, operation and display of narrow-gauge railway locomotives, rolling stock and associated equipment.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** The General Public/mankind

Geography

- Cumbria
- Northumberland

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£297,236	£202,535	-	-
2024-03-31	£183,985	£237,598	-	-
2023-03-31	£150,547	£159,719	-	-
2022-03-31	£136,923	£281,525	-	-
2021-03-31	£163,918	£428,644	-	-

Trustees

Name	Role	Appointed
Ian Howell Millward	Chair	2019-11-02
Alan Douglas Patterson		2025-11-22
Andrew Walter Tomlinson		2025-11-22
DAVID GRANATH		2018-11-10
David John Smith		2022-10-31
Francis John Shaw		2023-07-10
Kevin Bernard Simon Malone		2017-11-11
Michael John Potts		2024-09-09
Natalie Ann Tomlinson		2025-11-22

Accounts

**SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
TRUSTEES' REPORT AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

South Tynedale Railway Preservation Society
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**South Tynedale Railway Preservation Society
Reference and Administrative Details
For The Year Ended 31 March 2025**

Trustees

Mr David Smith
Mr Michael Potts (appointed 09/09/2024)
Mr Graeme Hodgson (appointed 21/10/2024)
Mr David Granath - Secretary
Mr Francis Shaw
Mr Ian Millward
Mr Kevin Malone
Mr Ian Howatt (resigned 30/11/2024)

Charity Number

514939

Company Number

01850832

Registered Office

The Railway Station
Alston
Cumbria
CA9 3JB

Independent Examiner

Jonathan Miller FCA DChA
Seavor (South Cumbria) Limited
12 The Office
Mardale Road
Penrith
Cumbria
CA11 9EH

Bankers

Santander
Bridle Road
Bootle
Merseyside
L30 4GB

South Tynedale Railway Preservation Society
Company No. 01850832
Trustees' Report For The Year Ended 31 March 2025

The trustees present their annual report together with the financial statements of the charity for the year 1st April 2024 to 31st March 2025. The trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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) as amended by Update Bulletin 1

Since the charity and the group qualifies as small under section 382, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Preface

This trustees' report deals with the year ending 31st March 2025 and significant post year end events and aims to describe the ability of the charity (also known as the Society) to deliver its charitable objectives.

The Society ran trains from 31st March 2024 until the 27th October 2024 with further Santa Specials on 7th, 8th, 14th and 15th December 2024. Trains recommenced on 5th April 2025 and at the time of writing (October 2025) we are coming to the end of the season with Santa Specials still to come in December.

In the light of our achievements in the year to 31st March 2025 and during the 2025 running season the Society remains a going concern and it is planned that it will operate the railway in 2026, reopening at Easter of that year.

It should be borne in mind that, despite major infrastructure projects the Society is in a favourable financial position because, apart from some freelance support, it is entirely run by volunteers who give freely of their time.

As ever, the primary aim of the Society is to run a railway that is safe for passengers, volunteers and the general public and this is the overriding consideration in all operational, marketing and financial activities.

Charitable objectives

The original objectives of the Society as stated in the Memorandum and Articles of Association (MMA) of 2010 remain in place. A prime objective is maintaining a timetabled passenger train service and in so doing to earn the fare and other income required to support the Society's activities.

Although object 3(l)(a) in the MMA to restore the line from Alston to Haltwhistle remains in place, this is not achievable under the current structure of the organisation. The EGM on 24th of May bought out a number of opinions on both sides of the argument, regarding a possible change to the MMA. Currently there are no plans to change the MMA but the Trustees must keep open minds to maximise the opportunities for the security of STRPS.

Public benefit

In setting objectives and planning activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit including the guidance:

- Public Benefit: the public benefit requirement (PB1)
- Public Benefit: running a charity (PB2)
- Public Benefit: reporting (PB3)

Public benefit is achieved by the provision of heritage, recreational, economic, and leisure activities to the general public and the provision of fulfilling activities for volunteering. In doing this the Society strives to involve and provide services to all members of the community.

Overview of the 2024 and 2025 seasons

Our trading patterns during the 2024 and 2025 have continued to remain similar. We have introduced more events and offers to improve the number of passengers visiting the railway. Rostering continues to be a problem for the Operations Manager. We have had several new operational volunteers but on the debit side some of our older and infirm colleagues have decided to step down from their chosen duties. As in other years some days were lost. A few new, volunteers have started in the non-operational side of the railway. There will have to be further recruitment for us to make progress in 2026.

This is not unusual in the heritage railway sector where there is significant reliance on volunteer effort. On the South Tynedale Railway many volunteers put in a huge effort to keep the railway running but we have to accept that people have other lives and we cannot expect volunteers to always be available. We have had several new volunteers and we are hopeful of improving the situation in the coming year.

We feel we can always do better in terms of passenger numbers. We carried around 9,000 passengers in the 2024, similar to the 2023 season and we are likely to carry the same number in 2025 including the Santa Specials. While the trustees appreciate the huge effort involved in achieving these passenger numbers it must be acknowledged that they are insufficient for the railway to achieve progress in the long term, particularly if we are to become a staffed rather than a volunteer run railway in the future. We also have to generate funds for major repairs as well as running costs.

Overview of the 2024 and 2025 seasons (continued)

Steam services were run using Naklo, Green Dragon and Barber in 2025. Green Dragon was the main engine for steam operations during the first half of 2025. Barber has been stripped down for its 10-year inspection. This will involve some major expenditure to get it into ticket, but we are hopeful that it will be back in action soon. A major positive was the re-introduction of Naklo in August. With its extra room on the footplate and large capacity tender, it will be a boon for training and Footplate experiences, as well as regular services in the future.

Steam crew continues to be a problem, with a few retirees over the last 12 months. We are attempting to attract people to this skill set. Hopefully we can achieve progress with recruitment. When we have not been able to find steam crews our battery electric locos (Newcastle and Carlisle) and diesel loco (Old Rusty) have been good, reliable standbys although at the time of writing one battery electric loco, Carlisle, is out of service due to control system problems. The diesel loco, Naworth, should be back in service in 2026.

It should be noted that Green Dragon's boiler ticket expires within the next year or so and we have to start planning now to carry out and fund the work involved in returning these two locos to service.

Competencies are being regularly monitored and we are finding several volunteers are training and have passed out on multiple duties. The danger of multi-tasked volunteers is the possibility that they are called upon too often. As ever, we need more training to be done.

Previous reports have stated that the ten-mile round trip to Slaggyford and back is proving to be a popular tourist attraction with car parking and café facilities at both ends of the line and a trip long enough to enjoy the South Tyne Valley but not too long for families. This continues to be the case.

The new café operators have bedded in and we continue to liaise with them to maximise the advantages of our mutual operations to both parties.

The structures on the line north of Slaggyford, Lambley Viaduct and Alston Arches as well as Haltwhistle goods yard are in the possession of the Society and are well used by the public. They are not however required in order to run the railway. The viaducts in particular will require specialist and expensive maintenance work at some point in order to keep them safe and sound and this will be beyond the means of the Society. We were unable to transfer the two large viaducts to a third party and Lambley viaduct needed emergency repairs during the summer. We were able to cover this financial cost but a fighting fund needs to be replenished as soon as possible, in case we get a similar problem sooner rather than later.

It has become apparent over the past year that the expectation of the public and regulatory bodies is that heritage and tourist railways are businesses that must be professionally run and where the safety of the public, staff and volunteers is the paramount consideration. In order to provide a focus for safety on the railway the trustees have established the Safety Management Group. This is a sub group of the board of trustees and is charged with developing safety governance, culture, policies and procedures for the railway.

Management structure

In January 2025 The management team continues to be as follows:

Head of Engineering
Head of Buildings and Infrastructure
Head of Finance, Legal and External Affairs
Head of Safety
Head of Volunteering
Head of Permanent Way and Signalling
Head of Marketing

The Society runs with three sub-groups:

Safety Management Group
Marketing Group
Management Group

In addition, a volunteer has recently taken up the duties of the Operations Manager, which has given the railway on site cover throughout the week.

There is, currently a Business Plan and Management Structure review being undertaken by three Trustees and 2026 may see some changes in how the Society is run.

Safety on the railway

The overriding concern of the trustees of the Society is to operate a railway that is safe for passengers, volunteers, contractors and the public.

The focus of safety on the railway is the Safety Management Group which is attended by the key individuals involved in running the railway. Since its inception in September 2023 it has met on several occasions and continues to meet at approximately six weekly intervals.

The group operate within the railway Safety Management System (SMS) and focuses upon day-to-day safety issues and the development of safety policy and specific risk assessments.

Safety on the railway (Continued)

The assessment of the effectiveness of the SMS is carried out using the Office of Rail and Road RM3 2019 Risk Management Maturity Model. The Safety Management Group led by the railway's Independent Competent Person carried out the RM3 assessment in September 2024 and the outcome was that the railway is mainly Managed in RM3 terms. This is an encouraging outcome and gives the trustees a firm foundation upon which to continue to develop safety on the South Tynedale Railway.

There was one serious incident involving a volunteer this Summer. ORR representatives paid a visit to the railway to check on our safety systems and handling of the incident. The Board is pleased to report that the ORR were happy with everything done by STRPS and only had to act on a couple of small recommendations.

Marketing

Marketing continues to be a major pillar of the organisation. The successful Special Event days and Christmas trains in 2024 and the extra special event days are proving popular.

In order to achieve the necessary increase in income more effective marketing will be a priority in the coming year and will be achieved by developing the scope and effectiveness of the Marketing Group that has operated throughout 2024. By the use of effective digital marketing in particular and social media platforms that address all age ranges we aim to promote awareness of the South Tynedale Railway. By giving visitors an excellent day out we aim to enhance word of mouth promotion of what we offer.

Special events can enhance passenger numbers by tapping into new markets. Santa Specials are particularly popular and there is scope for running additional Santa days in 2025 if we can further develop our volunteer group.

The relatively remote location of the South Tynedale Railway will tend to work against the railway and our reputation as The Friendly Railway offers the scope for differentiation in marketing terms by way of compensation.

Volunteers

Maintenance of track and infrastructure remains a never-ending task with potentially very expensive repairs always lurking just around the corner. This is one of our major risks. However, we have a devoted group of gardening, building, permanent way and infrastructure volunteers who work all year round to keep the railway in good order. Similarly, the engineering volunteers do much work behind the scenes to maintain and improve our locos and rolling stock. The work of the volunteers is supplemented by a few freelance contractors who provide specialist support in finance, engineering and marketing.

The Society is governed by its volunteer trustees who are also directors of the charitable company. The volunteer trustees carry the responsibility for everything that happens on the railway and are responsible for its good governance and strategic direction.

We have also been fortunate in strengthening the membership of the board of trustees by appointing two new trustees in the autumn of 2024. However we have to acknowledge that the present group of trustees is at the older end of the age range and succession planning to recruit a further generation of trustees is a continual task. To that end, we are encouraging interested people from inside and outside the organisation to put their names forward to improve the age and skill cross section of the Board.

We must also recruit more and younger operational volunteers in order that we may run the railway in a reliable manner. We have to look beyond the railway enthusiast community to the wider public who wish to make a contribution to the life of their community. Our volunteer cohort tends to be male and more senior in years and we should diversify in order to reach a much wider group. Otherwise we will be losing out on what the community has to offer the railway.

Financial review

A full description of the financial performance and position of the Society is given in the Statement of Financial Activities (SOFA) and Balance Sheet and the notes shown later in the accounts.

In summary Total funds of the Society brought forward at 1st April 2024 were £2,942,402 and total funds carried forward on 31st March 2025 were £2,955,243.

The Society continued to pay off the loan from Santander during the year in question. The sum owed was £233,711 on 31st March 2024 and £224,777 on 31st March 2025, a reduction in the sum owing of £8,934. Interest payments on the loan during the year was £21,904.

As outlined in this report last year, The Society received a legacy of £106,437 during the year from the estate of former member, Mr. Peter Martin.

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the financial year 2025/26 and into the 2026 operating season. The popularity of the railway as a tourist attraction has provided levels of income that cover most operating costs and the sale of unused and redundant equipment has provided a cash boost. For this reason, the trustees continue to adopt the going concern basis in preparing their financial statements.

Reserves policy

The Trustees aim to ensure that sufficient levels of free reserves are maintained to continue the operation of the railway for three months should all other sources of income cease. This equates to a sum of approximately £40,000 for essential running costs and three months bank loan repayments.

The sum of £50,000 continues to be held in reserve for the maintenance and repair of Lambley and Haltwhistle viaducts.

Depreciation

The depreciation policy of the Society is shown in note 2.5 to the accounts. The depreciation charge for the year in question shown in note 9 totalled £81,860 based upon the application of the depreciation rates for the various assets held by the Society.

Governance

The governance of the Society is the responsibility of the trustees who are elected by the members of the Society at the annual general meeting or co-opted by the trustees as necessary between annual general meetings in accordance with the terms of the Articles of Association.

Potential new trustees are interviewed by the present trustees who then recommend or not their appointment to the members at the annual general meeting.

The Society has a Company Secretary who is also a trustee.

The Society has a Treasurer and Membership Secretary who are officers but not trustees.

New trustees are provided with the following documents:

- The Memorandum and Articles of Association
- The most recent charity accounts
- The Charity Commission publication CC3 The Essential Trustee
- The Charity Commission Code of Good Governance
- The Office of Road and Rail publication RM3 as applicable to heritage railways

Each trustee upon appointment signs the declaration to confirm that they are not automatically disqualified from being a trustee and they also complete a declaration of interests.

Pay policy for senior staff

The Society has no current employees.

Related party relationships

The Society is a registered charitable company limited by guarantee, where every member's liability is limited to £1. There is a wholly owned subsidiary, the South Tynedale Charitable Community Benefit Society Ltd. This was established to facilitate the extension of the railway to Haltwhistle and the South Tynedale Railway Preservation Society is the parent to the community benefit society. The community benefit society is currently dormant.

Risk management

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the governance, operation and finances of the Society. Risks are managed by the Trustees and there is a comprehensive risk register.

The most serious risks currently are seen as:

- A failure of the safety governance of the railway that leads to unsafe working or an accident and possibly criminal prosecution
- Inability to trade on at least a break-even basis leading to the Society's financial failure
- A failure of the corporate governance of the railway that leads to trustees undertaking activities that are outside the scope of the legal objects of the Society
- A lack of operational volunteers which leads to the inability to run trains on a reliable basis
- Requirement for major infrastructure repairs that the Society cannot afford

Trustees' Indemnities

The charity holds a standard insurance policy which includes a trustees' indemnity against any liability in connection with any negligence, default, breach of duty or breach of trust in relation to the charity.

The future

The top aims of the Society for 2025/26 and the following year are:

Governance

- To continue to ensure the good governance of the Society in order that it can effectively deliver its objectives and public benefit
- To recruit new trustees with appropriate knowledge and skills to take the Society forward in order to ensure its future
- To strive to ensure the composition of the trustee group reflects the wider community that the railway serves

Safety

- To run a railway in which safety is the paramount consideration and is characterised by a safety culture which is understood and supported by everyone involved
- Through the Safety Management Group and the RM3 tool to continue to develop and adhere to the safety management system, railway rulebook and all associated regulatory requirements

Operations

- To trade on at least a break-even basis and to plan, through increased service levels and train occupancy, to generate an operating surplus in order to build a repair fund for structures and equipment and to move to a situation where the railway is able to employ paid staff as necessary
- To recruit new operational volunteers using all the talents available in the community to ensure the continued existence of the railway
- Carry out any works necessary to renew Barber and Green Dragon 10 year boiler certificates

Property

- To maintain in good condition the buildings and railway infrastructure of the Society within the financial means available

Marketing

- Through the Marketing Group to further develop the profile of the railway in order to increase occupancy levels on the trains we run

Members' Liability

The Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

Trustees' responsibilities statement

The Trustees (who are also directors of South Tynedale Railway Preservation Society for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgments and accounting estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

This report was approved by the Trustees at their board meeting on 27th October 2025 and presented to the Members at the Annual General Meeting on 15th November 2025 and signed on their behalf by:

Signed



Ian Millward Chair of Trustees
15 November 2025

South Tynedale Railway Preservation Society
Independent Examiner's Report to the Trustees of South Tynedale Railway Preservation Society
For The Year Ended 31 March 2025

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2025.

Responsibilities and Basis of Report

As the charity trustees of the Company (and also its directors for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent Examiner's Statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Jonathan Miller FCA DChA
15 November 2025
Seavor (South Cumbria) Limited
12 The Office
Mardale Road
Penrith
Cumbria
CA11 9EH

South Tynedale Railway Preservation Society
Statement of Financial Activities (including Income and Expenditure Account)
For The Year Ended 31 March 2025

				2025	2024
		Unrestricted funds	Restricted funds	Total funds	Total funds
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	138,099	-	138,099	14,120
Other trading activities	4	126,274	-	126,274	133,441
Investments	5	20,065	-	20,065	22,540
Other income	6	12,798	-	12,798	13,884
		<u>297,236</u>	<u>-</u>	<u>297,236</u>	<u>183,985</u>
EXPENDITURE ON:					
Charitable activities:	8				
Infrastructure		(42,501)	(71,230)	(113,731)	(112,255)
Train operation		(170,664)	-	(170,664)	(125,343)
		<u>(213,165)</u>	<u>(71,230)</u>	<u>(284,395)</u>	<u>(237,598)</u>
NET INCOME/(EXPENDITURE)		84,071	(71,230)	12,841	(53,613)
Transfers between funds	20	-	-	-	-
NET MOVEMENT IN FUNDS		<u>84,071</u>	<u>(71,230)</u>	<u>12,841</u>	<u>(53,613)</u>
RECONCILIATION OF FUNDS:					
Total funds brought forward		377,677	2,564,725	2,942,402	2,996,015
TOTAL FUNDS CARRIED FORWARD	20	<u>461,748</u>	<u>2,493,495</u>	<u>2,955,243</u>	<u>2,942,402</u>

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

The notes on pages 12 to 19 form part of these financial statements.

South Tynedale Railway Preservation Society
Comparative Statement of Financial Activities (including Income and Expenditure Account)
For The Year Ended 31 March 2025

			2024	
		Unrestricted	Restricted	Total funds
	Notes	funds	funds	
		£	£	£
INCOME AND ENDOWMENTS FROM:				
Donations and legacies	3	11,620	2,500	14,120
Other trading activities	4	133,441	-	133,441
Investments	5	22,540	-	22,540
Other income	6	13,884	-	13,884
		<u>181,485</u>	<u>2,500</u>	<u>183,985</u>
EXPENDITURE ON:				
Charitable activities:	8			
Infrastructure		(38,503)	(73,752)	(112,255)
Train operation		(124,152)	(1,191)	(125,343)
		<u>(162,655)</u>	<u>(74,943)</u>	<u>(237,598)</u>
NET EXPENDITURE		18,830	(72,443)	(53,613)
Transfers between funds	20	1,309	(1,309)	-
NET MOVEMENT IN FUNDS		<u>20,139</u>	<u>(73,752)</u>	<u>(53,613)</u>
RECONCILIATION OF FUNDS:				
Total funds brought forward		357,538	2,638,477	2,996,015
TOTAL FUNDS CARRIED FORWARD	20	<u>377,677</u>	<u>2,564,725</u>	<u>2,942,402</u>

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

The notes on pages 12 to 19 form part of these financial statements.

South Tynedale Railway Preservation Society
Balance Sheet
As At 31 March 2025

				2025	2024
		Unrestricted funds	Restricted funds	Total funds	Total funds
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	13	413,357	2,493,495	2,906,852	2,972,842
		<u>413,357</u>	<u>2,493,495</u>	<u>2,906,852</u>	<u>2,972,842</u>
CURRENT ASSETS					
Stocks	14	7,104	-	7,104	11,226
Debtors	15	39,928	-	39,928	28,488
Cash at bank and in hand		267,284	-	267,284	187,555
		<u>314,316</u>	<u>-</u>	<u>314,316</u>	<u>227,269</u>
Creditors: Amounts Falling Due Within One Year	16	(48,083)	-	(48,083)	(30,332)
NET CURRENT ASSETS (LIABILITIES)		266,233	-	266,233	196,937
TOTAL ASSETS LESS CURRENT LIABILITIES		679,590	2,493,495	3,173,085	3,169,779
Creditors: Amounts Falling Due After More Than One Year	17	(217,842)	-	(217,842)	(227,377)
NET ASSETS		461,748	2,493,495	2,955,243	2,942,402
		<u>461,748</u>	<u>2,493,495</u>	<u>2,955,243</u>	<u>2,942,402</u>
FUNDS OF THE CHARITY					
Restricted Funds				2,493,495	2,564,725
Unrestricted Funds				461,748	377,677
TOTAL FUNDS	20			<u>2,955,243</u>	<u>2,942,402</u>

For the year ending 31 March 2025 the charitable company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the charitable company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

On behalf of the board

David Granath

Mr David Granath
Trustee
15 November 2025

The notes on pages 12 to 19 form part of these financial statements.

South Tynedale Railway Preservation Society
Notes to the Financial Statements
For The Year Ended 31 March 2025

1. General Information

South Tynedale Railway Preservation Society is a company limited by guarantee, domiciled in England & Wales, registered number 01850832 and registered charity number 514939. The registered office is The Railway Station, Alston, Cumbria, CA9 3JB.

2. Accounting Policies

2.1. Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)", Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

South Tynedale Railway Preservation Society is a Public Benefit Entity as defined by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2. Incoming Resources

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.3. Resources Expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.4. Interest receivable

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

2.5. Tangible Fixed Assets and Depreciation

Tangible fixed assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	2% reducing balance (land is not depreciated)
Long-term leasehold property	2% reducing balance
Plant and machinery	10% reducing balance

...CONTINUED

South Tynedale Railway Preservation Society
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2025

Locomotives	1% straight line
Track and signalling equipment	5% reducing balance
Rolling stock	2% reducing balance
Other fixed assets	20% reducing balance

2.6. Stocks and Work in Progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.7. Cash and Cash Equivalents

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.8. Financial Instruments

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

2.9. Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10. Liabilities and provisions

Liabilities are recognised when there is, an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.11. Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Income from Donations and Legacies

	Unrestricted funds	Restricted funds	2025 Total funds
	£	£	£
Donations and gifts	108,368	-	108,368
Grants	28,200	-	28,200
Similar incoming resources	1,531	-	1,531
	<u>138,099</u>	<u>-</u>	<u>138,099</u>

South Tynedale Railway Preservation Society
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2025

	Unrestricted funds	Restricted funds	2024 Total funds
	£	£	£
Donations and gifts	6,356	-	6,356
Grants	1,369	2,500	3,869
Similar incoming resources	3,895	-	3,895
	<u>11,620</u>	<u>2,500</u>	<u>14,120</u>

The following grants are included within the total income from donations and legacies above:

	Unrestricted funds	Restricted funds	2025 Total funds
	£	£	£
Eden District Council	-	-	-
Thrive with Arts, Culture and Heritage	28,200	-	28,200
	<u>28,200</u>	<u>-</u>	<u>28,200</u>

	Unrestricted funds	Restricted funds	2024 Total funds
	£	£	£
Eden District Council	-	2,500	2,500
Thrive with Arts, Culture and Heritage	-	-	-
	<u>-</u>	<u>2,500</u>	<u>2,500</u>

4. Income from Other Trading Activities

	2025 Unrestricted funds	2024 Unrestricted funds
	£	£
Shop, ticket and other sales	126,274	133,441
	<u>126,274</u>	<u>133,441</u>

5. Investment Income

	2025 Unrestricted funds	2024 Unrestricted funds
	£	£
Bank interest receivable	13,763	10,540
Rents received from investment properties	6,302	12,000
	<u>20,065</u>	<u>22,540</u>

6. Other Income

	2025 Unrestricted funds	2024 Unrestricted funds
	£	£
Other incoming resources	12,798	13,884
	<u>12,798</u>	<u>13,884</u>

South Tynedale Railway Preservation Society
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2025

7. Net Income/(Expenditure)

The net income/(expenditure) is stated after charging/(crediting):

	2025	2024
	£	£
Depreciation of tangible fixed assets - owned	81,860	83,746

8. Analysis of Expenditure

	2025		
	Activities undertaken directly (see note 9)	Support costs (see note 10)	Total
	£	£	£
Infrastructure	86,526	27,205	113,731
Train operation	113,488	57,176	170,664
	<u>200,014</u>	<u>84,381</u>	<u>284,395</u>

	2024		
	Activities undertaken directly (see note 9)	Support costs (see note 10)	Total
	£	£	£
Infrastructure	86,940	25,315	112,255
Train operation	78,084	47,259	125,343
	<u>165,024</u>	<u>72,574</u>	<u>237,598</u>

9. Direct Costs

	2025		
	Infrastructure	Train operation	Total
	£	£	£
Events	-	11,195	11,195
Rent and rates	-	3,413	3,413
Coal and diesel	-	8,792	8,792
Sundry operating costs	-	5,076	5,076
Premises expenses	-	10,535	10,535
Repairs to locomotives	-	53,305	53,305
Repairs to rolling stock	-	3,375	3,375
Track and station maintenance	4,666	-	4,666
Insurance	-	17,797	17,797
Depreciation	81,860	-	81,860
	<u>86,526</u>	<u>113,488</u>	<u>200,014</u>

South Tynedale Railway Preservation Society
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2025

	2024		
	Infrastructure	Train operation	Total
	£	£	£
Events	-	7,398	7,398
Rent and rates	-	3,038	3,038
Coal and diesel	-	10,500	10,500
Sundry operating costs	-	5,178	5,178
Track and station maintenance	3,194	-	3,194
Premises expenses	-	12,112	12,112
Repairs to locomotives	-	20,336	20,336
Repairs to rolling stock	-	603	603
Site maintenance	-	1,093	1,093
Insurance	-	17,826	17,826
Depreciation	83,746	-	83,746
	86,940	78,084	165,024

10. Support Costs

	2025		
	Infrastructure	Train operation	Total
	£	£	£
Premises expenses	5,301	16,528	21,829
Office costs	-	5,787	5,787
Sundry and other costs	-	9,728	9,728
Marketing	-	12,795	12,795
Telephone	-	1,365	1,365
Governance costs	-	2,029	2,029
Legal and professional	-	8,944	8,944
Finance costs	21,904	-	21,904
	27,205	57,176	84,381

	2024		
	Infrastructure	Train operation	Total
	£	£	£
Premises expenses	3,417	19,785	23,202
Office costs	-	7,904	7,904
Sundry and other costs	-	4,725	4,725
Marketing	-	10,354	10,354
Telephone	-	1,439	1,439
Governance costs	-	1,841	1,841
Legal and professional	-	7,331	7,331
Profit on disposal of fixed assets	-	(6,120)	(6,120)
Finance costs	21,898	-	21,898
	25,315	47,259	72,574

South Tynedale Railway Preservation Society
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2025

11. Independent Examiner's Remuneration

The independent examiner's remuneration amounts to an independent examiner fee of £1,500 (2024 - £1,333).

	2025	2024
	£	£
Independent examination of the financial statements	1,500	1,333

12. Average Number of Employees

Average number of employees during the year was: NIL (2024: NIL)

13. Tangible Assets

	Land & Property					
	Freehold property	Long-term leasehold property	Plant and machinery	Locomotives	Track and signalling equipment	Total
	£	£	£	£	£	£
Cost						
As at 1 April 2024	2,409,501	124,611	163,621	2,313,346	11,074	5,022,153
Additions	-	-	7,695	8,175	-	15,870
As at 31 March 2025	2,409,501	124,611	171,316	2,321,521	11,074	5,038,023
Depreciation						
As at 1 April 2024	391,576	102,858	144,254	1,405,406	5,217	2,049,311
Provided during the period	37,957	435	3,249	40,102	117	81,860
As at 31 March 2025	429,533	103,293	147,503	1,445,508	5,334	2,131,171
Net Book Value						
As at 31 March 2025	1,979,968	21,318	23,813	876,013	5,740	2,906,852
As at 1 April 2024	2,017,925	21,753	19,367	907,940	5,857	2,972,842

14. Stocks

	2025	2024
	£	£
Stock	7,104	11,226

15. Debtors

	2025	2024
	£	£
Due within one year		
Trade debtors	2,192	3,462
Prepayments and accrued income	27,132	20,723
Other debtors	10,604	4,303
	39,928	28,488

South Tynedale Railway Preservation Society
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2025

16. Creditors: Amounts Falling Due Within One Year

	2025	2024
	£	£
Trade creditors	31,593	16,411
Bank loans and overdrafts	6,935	6,334
Other creditors	6,178	2,731
Accruals and deferred income	3,377	4,856
	<u>48,083</u>	<u>30,332</u>

17. Creditors: Amounts Falling Due After More Than One Year

	2025	2024
	£	£
Bank loans	<u>217,842</u>	<u>227,377</u>

18. Loans

An analysis of the maturity of loans is given below:

	2025	2024
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>6,935</u>	<u>6,334</u>
	2025	2024
	£	£
Amounts falling due between one and five years:		
Bank loans	<u>217,842</u>	<u>227,377</u>

19. Financial Instruments

The charitable company has the following financial instruments:

	2025	2024
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>267,284</u>	<u>187,555</u>

South Tynedale Railway Preservation Society
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2025

20. Movement in Funds

	As at 1 April 2024 £	Income £	Expenditure £	As at 31 March 2025 £
Unrestricted funds				
General:				
General unrestricted fund	377,677	297,236	(213,165)	461,748
Restricted funds				
Restricted Fund	2,564,725	-	(71,230)	2,493,495
Total funds	2,942,402	297,236	(284,395)	2,955,243

	As at 1 April 2023 £	Income £	Expenditure £	Transfers £	As at 31 March 2024 £
Unrestricted funds					
General:					
General unrestricted fund	357,538	181,485	(162,655)	1,309	377,677
Restricted funds					
Restricted Fund	2,638,477	2,500	(74,943)	(1,309)	2,564,725
Total funds	2,996,015	183,985	(237,598)	-	2,942,402

Accounts

Registered number: 01850832
Charity number: 514939

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

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SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2024

Trustees

A J Hallington (resigned 25 November 2023)
I Millward
D Granath, Acting Chair of Trustees
K B S Malone
I Howatt
D J Smith
P S Austen (resigned 25 November 2023)
F J Shaw (appointed 10 July 2023)
G Hodgson (appointed 21 October 2024)
M Potts (appointed 9 September 2024)

Company registered number
01850832

Charity registered number
514939

Registered office
The Railway Station
Alston
Cumbria
CA9 3JB

Accountants
Seavor (South Cumbria) Limited
The Office
Mardale Road
Penrith
Cumbria
CA11 9EH

Bankers
Santander
Bridle Road
Bootle
Merseyside
L30 4GB

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2024

The Trustees present their annual report together with the financial statements of the South Tynedale Railway Preservation Society for the year 1 April 2023 to 31 March 2024. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Preface

This trustees' report deals with the year ending 31st March 2024 and significant post year end events and aims to describe the ability of the charity (also known as the Society) to deliver its charitable objectives.

The Society ran trains from 1st April 2023 until the 29th October 2023 with further Santa Specials on 9th, 10th, 16th and 17th December 2023. Trains recommenced at Easter 2024 and at the time of writing (October 2024) we are coming to the end of the season with Santa Specials still to come in December.

In the light of our achievements in the year to 31st March 2024 and during the 2024 running season the Society remains a going concern and it is planned that it will operate the railway in 2025, reopening at the end of March of that year.

It should be borne in mind that the Society is in this favourable financial position because, apart from some freelance support, it is entirely run by volunteers who give freely of their time. In addition as a post year end event the Society received a significant legacy which contributed to the favourable financial position.

Above all the primary aim of the Society is to run a railway that is safe for passengers, volunteers and the general public and this is the overriding consideration in all operational, marketing and financial activities.

Objectives and activities

● **Policies and objectives**

The original objectives of the Society as stated in the Memorandum and Articles of Association of 2010 still apply. A prime objective is maintaining a timetabled passenger train service and in so doing to earn the fare and other income required to support the Society's activities.

The trustees should note however that object 3(1)(a) in the Memorandum of Association is to restore the line from Alston to Haltwhistle and we now realise that this is not likely to be achievable at any time in the foreseeable future. Therefore the trustees, seeking the views of members, should consider whether this object should remain, be modified or be deleted.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Objectives and activities (continued)

● **Public benefit**

In setting objectives and planning activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit including the guidance:

- Public Benefit: the public benefit requirement (PB1).
- Public Benefit: running a charity (PB2).
- Public Benefit: reporting (PB3).

Public benefit is achieved by the provision of heritage, recreational, economic, and leisure activities to the general public and the provision of fulfilling activities for volunteering. In doing this the Society strives to involve and provide services to all members of the community.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Achievements and performance

● **Review of the 2023 and 2024 seasons**

Trading during the 2023 season and into the 2024 season has been similar in both years although in 2024 we have faced the challenge of rostering sufficient volunteers to run the timetabled trains to a somewhat greater extent and this has led to some service cancellations. This is not unusual in the heritage railway sector where there is significant reliance on volunteer effort. On the South Tynedale Railway many volunteers put in a huge effort to keep the railway running but we have to accept that people have other lives and we cannot expect volunteers to always be available.

We feel we can always do better in terms of passenger numbers. We carried a little over 9,000 passengers in the 2023 season and we are likely to carry a similar number in 2024 including the Santa Specials. While the trustees appreciate the huge effort involved in achieving these passenger numbers it has to be acknowledged that they are insufficient to support a viable railway in the long term, particularly if we are to become a staffed rather than a volunteer run railway in the future. We also have to generate funds for major repairs as well as running costs.

Steam services were run using Green Dragon and the newly rebuilt Barber in 2023. Barber has been the mainstay of steam operations in 2024 while Green Dragon has been retubed and Barber has generally proved to be a reliable runner. The raised cab height has been particularly appreciated by crews who spend a long day on the loco.

We have generally been able to find steam crews although some of long term volunteers have now left the footplate but we have several new recruits coming on to the steam roster. When we have not been able to find steam crews our battery electric locos (Newcastle and Carlisle) and diesel loco (Old Rusty) have been good, reliable standbys although at the time of writing one battery electric loco is out of service due to control system problems.

It should be noted that Barber and Green Dragon boiler tickets expire within the next year or so and we have to start planning now to carry out and fund the work involved in returning these two locos to service. We continue to work on NAKLO and under the terms of a recently awarded Thrive with Arts Heritage and Culture grant for the completion of the loco the work must be completed by 31st March 2025.

We ran competency recertification sessions for all our operational volunteers in March and May 2024 and everyone who wishes to carry on with their operational role is now back "in ticket".

The ten mile round trip to Slaggyford and back is proving to be a popular tourist attraction with car parking and café facilities at both ends of the line and a trip long enough to enjoy the South Tyne Valley but not too long for families. Our 2024 all day Rover tickets have proved very popular allowing passengers to hop on and hop off and walk on the South Tyne Trail which runs alongside the railway.

The current catering arrangements at the Crossings Café at Alston and the Little Buffet Car at Slaggyford will soon come to an end and we have appointed a new catering partner to operate both locations. This arrangement allows the Society to get on with its core business of running the railway. We aim to further develop the integration of railway and catering operations in 2025 to the mutual benefit of both parties.

The structures on the line north of Slaggyford, Lambley Viaduct and Alston Arches as well as Haltwhistle goods yard are in the possession of the Society and are well used by the public. They are not however required in order to run the railway. The viaducts in particular will require specialist and expensive maintenance work at some point in order to keep them safe and sound and this will be beyond the means of the Society. At the time of writing we are investigating the transfer of the viaducts to third party organisations that have the skills and resources to look after them, thus freeing up the Society to concentrate on its core business of running the Alston to Slaggyford line.

It has become apparent over the past year that the expectation of the public and regulatory bodies is that heritage and tourist railways are businesses that must be professionally run and where the safety of the public, staff and volunteers is the paramount consideration. In order to provide a focus for safety on the railway the

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Achievements and performance (continued)

trustees have established the Safety Management Group. This is a sub group of the board of trustees and is charged with developing safety governance, culture, policies and procedures for the railway.

● **Management structure**

In January 2024 the trustees adopted a new management structure for the running of a railway and created the following positions as shown below:

- Head of Engineering.
- Head of Buildings and Infrastructure.
- Head of Finance, Legal and External Affairs.
- Head of Safety.
- Head of Volunteering.
- Head of Permanent Way and Signalling.
- Head of Marketing.

This has brought about a greater clarity of roles on the railway.

Alongside this there are three groups that run the railway on a day to day basis and report to the board of trustees, these are:

- Safety Management Group.
- Marketing Group.
- Management Group.

● **Safety on the railway**

The overriding concern of the trustees of the Society is to operate a railway that is safe for passengers, volunteers, contractors and the public.

The focus of safety on the railway is the Safety Management Group which is attended by the key individuals involved in running the railway. Since its inception in September 2023, it has met on nine occasions and continues to meet at approximately six weekly intervals.

The group operate within the railway Safety Management System (SMS) and focuses upon day to day safety issues and the development of safety policy and specific risk assessments.

The assessment of the effectiveness of the SMS is carried out using the Office of Rail and Road RM3 2019 Risk Management Maturity Model. The Safety Management Group led by the railway's Independent Competent Person carried out the RM3 assessment in September 2024 and the outcome was that the railway is mainly Managed in RM3 terms. This is an encouraging outcome and gives the trustees a firm foundation upon which to continue to develop safety on the South Tynedale Railway.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Achievements and performance (continued)

● **Marketing**

In order to achieve the necessary increase in income more effective marketing will be a priority in the coming year and will be achieved by developing the scope and effectiveness of the Marketing Group that has operated throughout 2024. By the use of effective digital marketing in particular and social media platforms that address all age ranges we aim to promote awareness of the South Tynedale Railway. By giving visitors an excellent day out we aim to enhance word of mouth promotion of what we offer.

Special events can enhance passenger numbers by tapping in to new markets. Santa Specials are particularly popular and there is scope for running additional Santa days in 2025 if we can further develop our volunteer group.

The relatively remote location of the South Tynedale Railway will tend to work against the railway and our reputation as The Friendly Railway offers the scope for differentiation in marketing terms by way of compensation.

● **Volunteers**

Maintenance of track and infrastructure remains a never ending task with potentially very expensive repairs always lurking just around the corner. This is one of our major risks. However, we have a devoted group of gardening, building, permanent way and infrastructure volunteers who work all year round to keep the railway in good order. Similarly, the engineering volunteers do much work behind the scenes to maintain and improve our locos and rolling stock.

The work of the volunteers is supplemented by a number of freelance contractors who provide specialist support in finance, engineering and marketing.

The Society is governed by its volunteer trustees who are also directors of the charitable company. The volunteer trustees carry the responsibility for everything that happens on the railway and are responsible for its good governance and strategic direction.

We have also been fortunate in strengthening the membership of the board of trustees by appointing two new trustees in the autumn of 2024. However, we have to acknowledge that the present group of trustees is at the older end of the age range and succession planning to recruit a further generation of trustees is a continual task.

We must also recruit more and younger operational volunteers in order that we may run the railway in a reliable manner. We have to look beyond the railway enthusiast community to the wider public who want to make a contribution to the life of their community. Our volunteer cohort tends to be male and more senior in years and we should diversify in order to reach a much wider group. Otherwise, we will be losing out on what the community has to offer the railway.

Financial review

● **Going concern**

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the financial year 2024/25 and into the 2025 operating season. The popularity of the railway as a tourist attraction has provided levels of income that cover most operating costs and the sale of unused and redundant equipment has provided a cash boost. For this reason the trustees continue to adopt the going concern basis in preparing their financial statements.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

● **Reserves policy**

The Trustees aim to ensure that sufficient levels of free reserves are maintained to continue the operation of the railway for three months should all other sources of income cease. This equates to a sum of approximately £40,000 for essential running costs and three months bank loan repayments.

In addition a sum of £50,000 is held as a designated fund for the purposes of the maintenance of Lambley Viaduct and Alston Arches. If these structures were transferred to a more appropriate organisation the £50,000 in question would be freed up and used to invest in the operational railway.

The level of funds held has been enhanced by the receipt of the legacy referred to in the Financial Summary above.

● **Depreciation**

The depreciation policy of the Society is shown in note 2.5 to the accounts. The depreciation charge for the year in question shown in note 11 totalled £83,749 based upon the application of the depreciation rates for the various assets held by the Society.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

● **Financial review**

The Society had a successful year in 2023/24 generating a £22,880 cash surplus from operating activities. This was in contrast to 2022/23 when there was a cash deficit of £28,689 and was therefore in total £51,569 better than the previous year.

There were 9,397 train tickets sold in the year which was 2,225 (31%) higher than the previous year. This was achieved by running an extra 114 train journeys, a commendable performance by all of the volunteers. Bolstered by the higher ticket sales, total income generated in the year was £183,985 which was £33,438 higher than the previous year.

Total expenditure in the year on running the railway was £237,598. This appears to have increased £77,879 on the previous year, however, the previous year benefitted from a one-off disposal of rolling stock for £73,126. If this disposal is excluded, normal expenditure was £10,873 higher than the previous year. Direct costs to run the additional train journeys was £6,689 higher, insurance premiums were £2,228 higher and loan interest costs were £7,734 higher due to the interest rate rises experienced in 2023. The interest charges were offset by £6,901 more of interest received but this is included within income and not netted off in expenditure.

Net losses of £53,613 were reported for the year but if the non-cash items of depreciation and the profit on disposal of fixed assets is added back, there was a profit of £24,013 generated in the year. This compares favourably to the £6,790 adjusted profit generated in the prior year.

There were no payments or benefits in kind granted to any Trustee in 2023/24.

The bank balance remains healthy at £187,555 at 31st March 2024 being £16,648 better than last year due to the strong trading performance.

The Society continued to pay off the loan from Santander during the year in question. The sum owed was £239,806 at 31st March 2023 and £233,711 at 31st March 2024, a reduction in the sum owing of £6,095. Interest payments on the loan during the year was £21,898.

The financial position of the Society is considered strong and has performed well since COVID severely impacted operations and income levels. Furthermore, since the financial year end, the Railway has benefitted from the legacy of a former member, Mr Peter Martin. On 5 July 2024, the Railway received £106,437. The Trustees decided to exclude this legacy from the accounts on the basis of prudence. The legacy will be reported in the 2024/25 financial statements based on the date of its receipt.

Based on the continued strong financial position, further buoyed by the legacy, the Trustees consider that the railway can generate sufficient funds to operate effectively in the near term.

Whilst the financial imperatives indicate that there are no known factors impacting on the going concern aspects of the Railway, the greater threat to continuing operations is not so much a financial issue but one of a lack of committed and appropriately trained volunteers to continue to drive the railway forward and secure its long-term future. As reported elsewhere in the trustees' report the reliance almost entirely on volunteer effort inevitably restricts the ability of the railway to move to a more stable long term financial position.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

● **Principal risks and uncertainties**

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the governance, operation and finances of the Society. Risks are managed by the Trustees and there is a comprehensive risk register.

The most serious risks at this time are seen as:

- A failure of the safety governance of the railway that leads to unsafe working or an accident and possibly criminal prosecution
- Inability to trade on at least a break even basis leading to the Society's financial failure.
- A failure of the corporate governance of the railway that leads to trustees undertaking activities that are outside the scope of the legal objects of the Society.
- A lack of operational volunteers which leads to the inability to run trains on a reliable basis.
- Requirement for major infrastructure repairs that the Society cannot afford.

Structure, governance and management

● **Governance**

The governance of the Society is the responsibility of the trustees who are elected by the members of the Society at the annual general meeting or coopted by the trustees as necessary between annual general meetings in accordance with the terms of the Articles of Association.

Potential new trustees are interviewed by the present trustees who then recommend or not their appointment to the members at the annual general meeting.

The Society has a Company Secretary who is also a trustee.

The Society has a Treasurer and Membership Secretary who are officers but not trustees.

New trustees are provided with the following documents:

- The Memorandum and Articles of Association
- The most recent charity accounts
- The Charity Commission publication CC3 The Essential Trustee
- The Charity Commission Code of Good Governance
- The Office of Road and Rail publication RM3 as applicable to heritage railways

Each trustee upon appointment signs the declaration to confirm that they are not automatically disqualified from being a trustee and they also complete a declaration of interests.

● **Pay policy for senior staff**

The Society has no current employees.

● **Related party relationships**

The Society is a registered charitable company limited by guarantee where every member's liability is limited to £1. There is a wholly owned subsidiary, The South Tynedale Charitable Community Benefit Society Ltd. This was established to aid the extension of the railway to Haltwhistle and the South Tynedale Railway Preservation Society is the parent to the community benefit society. The community benefit society is currently dormant,

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Structure, governance and management (continued)

● **Trustees' indemnities**

The charity holds a standard insurance policy which includes a trustees' indemnity against any liability in connection with any negligence, default, breach of duty or breach of trust in relation to the charity.

Plans for future periods

The top aims of the Society for 2024/25 and the following year are:

Governance

- To continue to ensure the good governance of the Society in order that it can effectively deliver its objectives and public benefit
- To recruit new trustees with appropriate knowledge and skills to take the Society forward in order to ensure that it has a viable future
- To strive to ensure the composition of the trustee group reflects the wider community that the railway serves

Safety

- To run a railway in which safety is the paramount consideration and is characterised by a safety culture which is understood and supported by everyone involved
- Through the Safety Management Group to continue to develop and adhere to the safety management system, rulebook and all associated documentation

Operations

- To trade on at least a break even basis and to plan, through increased service levels and train occupancy, to generate an operating surplus in order to build a repair fund for structures and equipment and to move to a situation where the railway is able to employ paid staff as necessary
- To recruit new operational volunteers using all the talents available in the community to ensure the continued existence of the railway
- To return "NAKLO" to steam and carry out any works necessary to renew Barber and Green Dragon 10 year boiler certificates.

Property

- To maintain in good condition the buildings and railway infrastructure of the Society within the financial means available.
- To transfer Lambley Viaduct and Alston Arches to a more appropriate organisation that has the means to maintain these important structures in order that they can continue to be involved by the public in the future.
- To arrange the sale of Haltwhistle Goods Yard in order to recoup as far as possible the purchase price paid by the Society.

Marketing

- Through the Marketing Group to further develop the profile of the railway in order to increase occupancy levels on the trains we run.

Members' liability

The Members of the Charity guarantee to contribute an amount not exceeding £1 to the assets of the Charity in the event of winding up.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees at their board meeting on 21st October 2024 and presented to the Members at the Annual General Meeting on 23rd November 2024 and signed on their behalf by:



D Granath
Acting Chair of Trustees
Date: 23 November 2024

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2024**

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SOUTH TYNEDALE RAILWAY
PRESERVATION SOCIETY ('the Charity')**

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 March 2024.

RESPONSIBILITIES AND BASIS OF REPORT

As the Trustees of the Charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

INDEPENDENT EXAMINER'S STATEMENT

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed:

Jonathan Miller

Dated: 23 November 2024

FCA DChA

SEAVOR (SOUTH CUMBRIA) LIMITED

Chartered Accountants

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donations and legacies	3	11,620	2,500	14,120	23,900
Other trading activities	4	133,441		133,441	96,225
Investments	5	22,540		22,540	15,969
Other income	6	13,884		13,884	14,453
Total income		181,485	2,500	183,985	150,547
Expenditure on:					
Charitable activities	7	162,655	74,943	237,598	159,719
Total expenditure		162,655	74,943	237,598	159,719
Net income/(expenditure)		18,830	(72,443)	(53,613)	(9,172)
Transfers between funds	17	1,309	(1,309)		
Net movement in funds		20,139	(73,752)	(53,613)	(9,172)
Reconciliation of funds:					
Total funds brought forward		357,538	2,638,477	2,996,015	3,005,187
Net movement in funds		20,139	(73,752)	(53,613)	(9,172)
Total funds carried forward		377,677	2,564,725	2,942,402	2,996,015

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

The notes on pages 17 to 30 form part of these financial statements.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)
REGISTERED NUMBER: 01850832

BALANCE SHEET
AS AT 31 MARCH 2024

	Note	2024	2023 £
Fixed assets			
Tangible assets	11	2,972,842	3,049,692
		2,972,842	3,049,692
Current assets			
Stocks	12	11,226	4,638
Debtors	13	28,488	23,752
Cash at bank and in hand		187,555	170,907
		227,269	199,297
Creditors: amounts falling due within one year	14	(30,332)	(20,760)
Net current assets		196,937	178,537
Total assets less current liabilities		3,169,779	3,228,229
Creditors: amounts falling due after more than one year	15	(227,377)	(232,214)
Net assets excluding pension asset		2,942,402	2,996,015
Total net assets		2,942,402	2,996,015
Charity funds			
Restricted funds	17	2,564,725	2,638,477
Unrestricted funds	17	377,677	357,538
Total funds		2,942,402	2,996,015

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY

(A company limited by guarantee)

REGISTERED NUMBER: 01850832

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2024

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees on 23 November 2024 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'D Granath', with a long horizontal stroke extending to the right.

D Granath

Acting Chair of Trustees

The notes on pages 17 to 30 form part of these financial statements.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	£	£
Cash flows from operating activities		
Net cash used in operating activities	22,880	(28,689)
Cash flows from investing activities		
Dividends, interests and rents from investments	22,540	23,208
Proceeds from the sale of tangible fixed assets	12,500	85,500
Purchase of tangible fixed assets	(13,279)	(3,140)
Net cash provided by investing activities	21,761	105,568
Cash flows from financing activities		
Repayments of borrowing	(6,095)	(9,401)
Interest paid	(21,898)	(14,165)
Net cash used in financing activities	(27,993)	(23,566)
Change in cash and cash equivalents in the year	16,648	53,313
Cash and cash equivalents at the beginning of the year	170,907	117,594
Cash and cash equivalents at the end of the year	187,555	170,907

The notes on pages 17 to 30 form part of these financial statements

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. GENERAL INFORMATION

South Tynedale Railway Preservation Society is a company limited by guarantee, domiciled in England and Wales, registration number 01850832. It is a registered charity number 514939. The company's registered office is The Railway Station, Alston, Cumbria CA9 3JB.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

South Tynedale Railway Preservation Society meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Interest receivable

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

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives,

Depreciation is provided on the following bases:

Freehold property	- 2% reducing balance (land is not depreciated)
Long-term leasehold property	- 2% reducing balance
Plant and machinery	- 10% reducing balance
Locomotives	- 1% straight line
Track and signalling equipment	- 5% reducing balance
Rolling stock	- 2% reducing balance
Other fixed assets	- 20% reducing balance

2.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. ACCOUNTING POLICIES (CONTINUED)

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.10 Financial instruments

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

2.11 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Grants				
Eden District Council		2,500	2,500	7,500
Karbon Fund				522
Subtotal		2,500	2,500	8,022

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

3. INCOME FROM DONATIONS AND LEGACIES (continued)

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Donations	6,356		6,356	12,111
Grants	1,369		1,369	
Similar incoming resources	3,895		3,895	3,767
Subtotal	11,620		11,620	15,878
Total 2024	11,620	2,500	14,120	23,900
<i>Total 2023</i>	16,400	7,500	23,900	

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

4. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Shop, ticket and other sales	133,441	133,441	96,225
<i>Total 2023</i>	96,225	96,225	

5. INVESTMENT INCOME

	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Rental income	12,000	12,000	12,330
Bank interest receivable	10,540	10,540	3,639
	22,540	22,540	15,969
<i>Total 2023</i>	15,969	15,969	

6. OTHER INCOMING RESOURCES

	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Other incoming resources	13,884	13,884	14,453
<i>Total 2023</i>	14,453	14,453	

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	<i>Total 2023 £</i>
Infrastructure	38,503	73,752	112,255	112,714
Train operation	124,152	1,191	125,343	47,005
	162,655	74,943	237,598	159,719
<i>Total 2023</i>	<i>74,747</i>	<i>84,972</i>	<i>159,719</i>	

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Infrastructure	86,940	25,315	112,255	112,714
Train operation	78,084	47,259	125,343	47,005
	165,024	72,574	237,598	159,719
<i>Total 2023</i>	<i>159,510</i>	<i>209</i>	<i>159,719</i>	

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

ANALYSIS OF DIRECT COSTS

	Infrastructu re 2024 £	Train operation 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Depreciation	83,746		83,746	89,088
Track and station maintenance	3,194		3,194	1,826
Events		7,398	7,398	5,179
Repairs to locomotives		20,336	20,336	21,183
Repairs to rolling stock		603	603	3,386
Site maintenance		1,093	1,093	535
Rent and rates		3,038	3,038	1,600
Sundry operating costs		5,178	5,178	5,719
Coal and diesel		10,500	10,500	6,030
Premises expenses		12,112	12,112	9,366
Insurance		17,826	17,826	15,598
	86,940	78,084	165,024	159,510
<i>Total 2023</i>	90,914	68,596	159,510	

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

ANALYSIS OF SUPPORT COSTS

	Infrastructu re 2024 £	Train operation 2024 £	Total funds 2024 £	Total funds 2023 £
Marketing		10,354	10,354	6,365
Telephone		1,439	1,439	1,223
Office costs		7,904	7,904	8,321
Premises expenses	3,417	19,785	23,202	27,247
Sundry and other costs		4,725	4,725	3,107
Legal and professional		7,331	7,331	8,212
Finance costs	21,898		21,898	14,164
Profit on disposal of fixed assets		(6,120)	(6,120)	(73,126)
Governance costs		1,841	1,841	4,696
	25,315	47,259	72,574	209
<i>Total 2023</i>	21,800	(21,591)	209	

9. INDEPENDENT EXAMINER'S REMUNERATION

The independent examiner's remuneration amounts to an independent examiner fee of £1,300 (2023 - £1,200).

10. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 March 2024, no Trustee expenses have been incurred (2023 - £NIL).

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

11. TANGIBLE FIXED ASSETS

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Track and rolling stock £	Other fixed assets £	Total £
Cost or valuation						
At 1 April 2023	2,409,501	124,611	163,621	2,328,970	11,074	5,037,777
Additions	-	-	-	13,279	-	13,279
Disposals	-	-	-	(28,903)	-	(28,903)
At 31 March 2024	<u>2,409,501</u>	<u>124,611</u>	<u>163,621</u>	<u>2,313,346</u>	<u>11,074</u>	<u>5,022,153</u>
Depreciation						
At 1 April 2023	352,846	102,413	141,251	1,386,478	5,097	1,988,085
Charge for the year	38,730	445	3,003	41,451	120	83,749
On disposals	-	-	-	(22,523)	-	(22,523)
At 31 March 2024	<u>391,576</u>	<u>102,858</u>	<u>144,254</u>	<u>1,405,406</u>	<u>5,217</u>	<u>2,049,311</u>
Net book value						
At 31 March 2024	<u>2,017,925</u>	<u>21,753</u>	<u>19,367</u>	<u>907,940</u>	<u>5,857</u>	<u>2,972,842</u>
At 31 March 2023	<u>2,056,655</u>	<u>22,198</u>	<u>22,370</u>	<u>942,492</u>	<u>5,977</u>	<u>3,049,692</u>

12. STOCKS

	2024 £	2023 £
Stocks	<u>11,226</u>	<u>4,638</u>

13. DEBTORS

	2024 £	2023 £
Due within one year		
Trade debtors	3,462	1,668
Other debtors	4,303	2,350
Prepayments and accrued income	20,723	19,734
	<u>28,488</u>	<u>23,752</u>

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Bank loan	6,334	7,592
Trade creditors	16,411	2,100
Other creditors	2,731	-
Accruals and deferred income	4,856	11,068
	<u>30,332</u>	<u>20,760</u>

The bank loan is secured by way of a fixed and floating charge over assets of the charity.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024 £	2023 £
Bank loan	227,377	232,214
	<u>227,377</u>	<u>232,214</u>

The bank loan is secured by way of a fixed and floating charge over assets of the charity.

16. FINANCIAL INSTRUMENTS

	2024 £	2023 £
Financial assets		
Financial assets measured at fair value through income and expenditure	187,555	170,907
	<u>187,555</u>	<u>170,907</u>

Financial assets measured at fair value through income and expenditure comprise cash and bank balances.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

17. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2024 £
Unrestricted funds					
General Funds	357,538	181,485	(162,655)	1,309	377,677
Restricted funds					
Restricted Fund	2,638,477	2,500	(74,943)	(1,309)	2,564,725
Total of funds	2,996,015	183,985	(237,598)		2,942,402

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

17. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2024 £
Unrestricted funds					
General Funds	357,538	181,485	(162,655)	1,309	377,677
Restricted funds					
Restricted Fund	2,638,477	2,500	(74,943)	(1,309)	2,564,725
Total of funds	2,996,015	183,985	(237,598)		2,942,402

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

17. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 April 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2023 £</i>
Unrestricted funds					
General Funds	(221,698)	143,047	(74,747)	510,936	357,538
Restricted funds					
Restricted Fund	3,226,885	7,500	(84,972)	(510,936)	2,638,477
Total of funds	3,005,187	150,547	(159,719)		2,996,015

18. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2024 £
General funds	357,538	181,485	(162,655)	1,309	377,677
Restricted funds	2,638,477	2,500	(74,943)	(1,309)	2,564,725
	2,996,015	183,985	(237,598)		2,942,402

SUMMARY OF FUNDS - PRIOR YEAR

	<i>Balance at 1 April 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2023 £</i>
General funds	(221,698)	143,047	(74,747)	510,936	357,538
Restricted funds	3,226,885	7,500	(84,972)	(510,936)	2,638,477
	3,005,187	150,547	(159,719)		2,996,015

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	408,117	2,564,725	2,972,842
Current assets	227,269		227,269
Creditors due within one year	(30,332)		(30,332)
Creditors due in more than one year	(227,377)		(227,377)
Total	377,677	2,564,725	2,942,402

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Tangible fixed assets	411,215	2,638,477	3,049,692
Current assets	199,297		199,297
Creditors due within one year	(20,760)		(20,760)
Creditors due in more than one year	(232,214)		(232,214)
Total	357,538	2,638,477	2,996,015

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £	2023 £
Net expenditure for the period (as per Statement of Financial Activities)	(53,613)	(9,172)
Adjustments for:		
Depreciation charges	83,749	89,088
Dividends, interests and rents from investments	(22,540)	(23,207)
Profit on the sale of fixed assets	(6,120)	(73,126)
Increase in stocks	(6,588)	(587)
Increase in debtors	(4,736)	(8,364)
Increase/(decrease) in creditors	10,830	(17,486)
Interest paid	21,898	14,165
Net cash provided by/(used in) operating activities	22,880	(28,689)

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2024 £	2023 £
Cash in hand	76	82
Notice deposits (less than 3 months)	187,479	170,825
Total cash and cash equivalents	187,555	170,907

22. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2023 £	Cash flows £	At 31 March 2024 £
Cash at bank and in hand	170,907	16,648	187,555
Debt due within 1 year	(7,592)	1,258	(6,334)
Debt due after 1 year	(232,214)	4,837	(227,377)
	(68,899)	22,743	(46,156)

Accounts

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

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SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023

Trustees

A J Hallington
I H Millward
D Granath, Chair
K B S Malone
I Howatt
D J Smith (appointed 31 October 2022)
P S Austen
F J Shaw (appointed 10 July 2023)

Company registered number
01850832

Charity registered number
514939

Registered office
The Railway Station
Alston
Cumbria
CA9 3JB

Accountants
Full Circle Accountancy Limited
The Office
Mardale Road
Penrith
Cumbria
CA11 9EH

Bankers
Santander
Bridle Road
Bootle
Merseyside
L30 4GB

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report together with the financial statements of the South Tynedale Railway Preservation Society for the year 1 April 2022 to 31 March 2023. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Preface

This trustees' report deals with the year ending 31st March 2023 and significant post year end events and aims to describe the ability of the charity (also known as the Society) to deliver its objectives.

The Society ran trains from April until the end of October 2022 with further Santa Specials in December. Trains recommenced in April 2023 and at the time of writing (October 2023) we are coming to the end of a successful season with Santa Specials still to come in December.

In the light of our achievements in the year to 31st March 2023 and the 2023 running season the Society which is a charitable company remains a going concern and it is planned that it will operate the railway in 2024, reopening in Easter of that year.

It should be borne in mind that the railway is in this financial position because it is, apart from some freelance support, entirely run by volunteers who give freely of their time.

Above all the primary aim of the Society is to run a safe railway and this is the overriding consideration in all operational, marketing and financial activities.

Objectives and activities

● Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Public benefit is achieved by the provision of heritage, recreational, economic, and leisure activities to the general public and the provision of fulfilling activities for volunteering. In doing this the Society strives to involve and provide services to all members of the community.

The original objectives of the Society as stated in the Memorandum and Articles of Association of 2010 still apply. A prime objective is maintaining a timetabled passenger train service and in so doing to earn the fare and other income required to support the Society's activities.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Objectives and activities (continued)

• **Volunteers**

Maintenance of track and infrastructure remains a never ending task with potentially very expensive repairs always lurking just around the corner. This is one of our major risks. However we have a devoted group of gardening, building, permanent way and infrastructure volunteers who work all year round to keep the railway in good order. Similarly, the engineering volunteers do much work behind the scenes to maintain and improve our locos and rolling stock.

The work of the volunteers is supplemented by a number of freelance contractors who provide specialist support in finance, engineering and marketing.

The Society is governed by its volunteer trustees who are also directors of the charitable company. The trustees carry the responsibility for everything that happens on the railway as well as being responsible for its good governance and strategic direction. This means that trustee board meetings address the big issues affecting the railway. The day to day management is delegated to a smaller sub group of trustees who also act as managers of different aspects of the railway.

While we have also been fortunate in strengthening the membership of the board of trustees by appointing new trustees in 2022 and 2023. We have to acknowledge that the present group of trustees is at the older end of the age range and succession planning to recruit the next generation of trustees is a priority for 2024.

A significant task remains to recruit more and younger operational volunteers in order that we may run the railway in a reliable manner. We have to look beyond the railway enthusiast community to the wider public who want to make a contribution to the life of their community. Our volunteer cohort tends to be male and more senior in years and we must diversify in order to reach a much wider group. Otherwise we will be losing out on what the community has to offer the railway.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance

● **Review of the 2022 and 2023 seasons**

Trading during 2022/23 and into the 2023 season has been encouraging although we feel we can always do better in terms of passenger numbers. We carried about 7,200 passengers in the 2022 season and we are likely to carry about 8,500 in the 2023 season. Both years including the Santa Specials. While this is encouraging we have to carry more passengers if the railway is to become financially viable over the long term. We have to generate funds for major repairs as well as running costs and eventually have funds to employ staff again.

In order to achieve the necessary increase in income more effective marketing will be a priority in the coming year and will be achieved by developing the scope and effectiveness of the Marketing Group that has operated throughout 2023.

Steam services were run using Green Dragon and in 2023 the newly rebuilt Barber. We have generally been able to find steam crews with several new recruits coming on to the steam roster. When we have not been able to find steam crews our battery electric locos (Newcastle and Carlisle) and diesel loco (Old Rusty) have been good, reliable standbys.

It should be noted that Barber's boiler ticket expires in November 2024 and Green Dragon's boiler ticket expires in November 2025 and we have to start planning now to fund the required replacement boilers. It remains an objective to complete steam locomotive NAKLO in 2024.

We ran a pre season operational refresher week with our Independent Competent Person in March 2023 and most operational volunteers were able to attend and those that could not were dealt with individually as the season commenced.

The ten mile round trip to Slaggyford and back is proving to be a popular tourist attraction with car parking and café facilities at both ends of the line and a trip long enough to enjoy the South Tyne Valley but not too long for families. Our 2023 all day Rover tickets have proved very popular allowing passengers to hop on and hop off and walk on the South Tyne Trail which runs alongside the railway.

The Society's policy to lease the Crossings Café at Alston has continued although the current tenants will leave at the end of March 2024 with new tenants taking over at the beginning of the 2024 season. This leasing arrangement allows the Society to get on with its core business of running the railway. The Little Buffet Car at Slaggyford is also operated by an independent provider and again this has been successful, providing a destination at the end of the line. Both operations add a great deal to our offer of a great day out.

The Society has, as one of its founding objects, the power to pursue the reinstatement of the entire railway line from Alston to Haltwhistle. It has become apparent to the trustees that the Society does not have the capacity or the funds to achieve this objective in the foreseeable future.

The structures on the line north of Slaggyford, Lambley Viaduct and Alston Arches as well as Haltwhistle goods yard are in the possession of the Society and are well used by the public. They will require specialist involvement at some point in order to keep the viaducts safe and sound. At the time of writing we are investigating the transfer of these assets to third party organisations who have the skills and resources to look after them, thus freeing up the Society to concentrate on its core business and removing the risk of very expensive repair bills that we could not afford.

It has become apparent over the past year that the expectation of the public and regulatory bodies is that heritage and tourist railways are businesses that must be professionally run and where the safety of the public, staff and volunteers is the paramount consideration. In order to meet this requirement the railway has established a new Safety Management Group. This is a sub group of the board of trustees and is charged with developing safety governance, culture, policies and procedures within the railway.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance (continued)

• **Investment policy and performance**

The Trustees operate within the governing document, the Memorandum and Articles of Association having regard to the guidance provided by the Charity Commission and act in accordance with the Trustees Act 2000.

Financial review

• **Going concern**

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the financial year 2023/24 and into the 2024 operating season. The popularity of the railway as a tourist attraction has provided levels of income that cover most operating costs and the sale of unused and redundant equipment has provided a cash boost. For this reason the trustees continue to adopt the going concern basis in preparing their financial statements.

• **Reserves policy**

The Trustees aim to ensure that sufficient levels of free reserves are maintained to continue the operation of the railway for three months should all other sources of income cease. This equates to a sum of approximately £40,000 for essential running costs and three months bank loan repayments.

The level of unrestricted funds has been enhanced by the sale of surplus equipment in 2022/23 and in the subsequent year. Items disposed of include a redundant battery electric loco chassis and the dismantled Matheran Indian hill locomotive no 740.

• **Depreciation**

The depreciation policy of the Society is shown in note 2.5 to the accounts. The depreciation charge for the year in question shown in note 11 totalled £89,088 based upon the application of the depreciation rates for the various assets held by the Society.

• **Financial review**

A full description of the financial performance and position of the Society is given in the Statement of Financial Activities (SOFA) and Balance Sheet and notes shown later in the accounts.

In summary the income of the Society in 2022/23 was £150,547 and the expenditure was £159,719 resulting in a deficit as shown on the SOFA of £9,172. Total funds of the Society brought forward at 1st April 2022 were £3,005,187 and total funds carried forward at 31st March 2023 were £2,996,015.

During the year in question the Santander bank loan became due for final repayment on 30th June 2022. The sum to be repaid was £242,518. The Society was unable to repay this sum and therefore rolled over the balance into a new loan agreement with the bank. This involved taking a further 5 year loan of £245,589 at base rate plus 4.5%. This resulted in monthly repayments of £2,040 from 1st July 2022 and these have steadily risen throughout 2022/23 and from April 2023 onwards with the increase in base rate. The balance of the loan at 31st March 2023 was £239,806.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

● **Principal risks and uncertainties**

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the governance, operation and finances of the Society. Risks are managed by the Trustees and there is a comprehensive risk register.

The most serious risks at this time are seen as:

- A failure of the safety governance of the railway that leads to unsafe working and possibly criminal prosecution
- Inability to trade on at least a break even basis leading to the Society's financial failure
- A failure of the corporate governance of the railway that leads to the inability to deliver the Society's charitable objectives
- A lack of operational volunteers which leads to the inability to run trains on a reliable basis
- Requirement for major infrastructure repairs that the Society cannot afford

Structure, governance and management

● **Constitution**

South Tynedale Railway Preservation Society is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

● **Governance**

The governance of the Society is the responsibility of the trustees who are elected by the members of the Society at the annual general meeting or coopted by the trustees as necessary between annual general meetings in accordance with the terms of the Articles of Association.

Potential new trustees are interviewed by the present trustees who then recommend or not their appointment to the members at the annual general meeting.

The Society has a Company Secretary who is also a trustee.

The Society has a Treasurer and Membership Secretary who are officers but not trustees.

New trustees are provided with the following documents:

- The Memorandum and Articles of Association
- The most recent charity accounts
- The Charity Commission publication CC3 The Essential Trustee
- The Charity Commission Code of Good Governance
- The Office of Road and Rail publication RM3 as applicable to heritage railways

Each trustee upon appointment signs the declaration to confirm that they are not automatically disqualified from being a trustee and they also complete a declaration of interests.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management (continued)

• **Policies adopted for the induction and training of Trustees**

The governance of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. Trustees are appointed by Members at the Annual General Meeting (AGM); if there are more candidates than vacancies then a ballot takes place; if there are fewer candidates than vacancies then a ballot will not be held unless requested by the Members attending the AGM. The Chairman and Deputy Chairman are also appointed by the members at the AGM for a term of three years. One third of the other trustees retire by rotation at each AGM. Retiring Trustees may be re-appointed, except for a restriction of re-appointment of a retiring Chairman. If there is a vacancy during the year the Board may appoint a Member to serve until the next AGM.

• **Pay policy for senior staff**

The Society has no current employees.

• **Related party relationships**

The Society is a registered charitable company limited by guarantee where every member's liability is limited to £1. There is a wholly owned subsidiary, The South Tynedale Charitable Community Benefit Society Ltd. This was established to aid the extension of the railway to Haltwhistle and the South Tynedale Railway Preservation Society is the parent to the community benefit society. The community benefit society is currently dormant,

• **Financial risk management**

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

• **Trustees' indemnities**

The charity holds a standard insurance policy which includes a trustees' indemnity against any liability in connection with any negligence, default, breach of duty or breach of trust in relation to the charity.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Plans for future periods

The top aims of the Society for 2023/24 and the following year are:

Governance

- To continue to ensure the good governance of the Society in order that it can effectively deliver its objectives and public benefit
- To recruit new trustees with appropriate knowledge and skills to take the Society forward in order to ensure that it has a viable future
- To strive to ensure the composition of the trustee group reflects the wider community that the railway serves

Safety

- To run a railway in which safety is the paramount consideration and is characterised by a safety culture which is understood and supported by everyone involved
- Through the Safety Management Group to continue to develop and adhere to the safety management system, rulebook and all associated documentation

Operations

- To trade on at least a break even basis and to plan, through increased service levels and train occupancy, to generate an operating surplus in order to build a repair fund for structures and equipment and to move to a situation where the railway is able to employ paid staff as necessary
- To recruit new operational volunteers using all the talents available in the community to ensure the continued existence of the railway
- To develop a fundraising strategy for the replacement of Barber and Green Dragon boilers
- To return "NAKLO" to steam.

Marketing

- Through the Marketing Group to further develop the profile of the railway in order to increase occupancy levels on the trains we run.

Members' liability

The Members of the Charity guarantee to contribute an amount not exceeding £1 to the assets of the Charity in the event of winding up.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Statement of Trustees' responsibilities

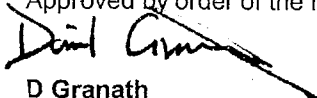
The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



D Granath
(Chair of Trustees)
Date: 6 November 2023

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SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SOUTH TYNEDALE RAILWAY
PRESERVATION SOCIETY ('the Charity')**

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 March 2023.

RESPONSIBILITIES AND BASIS OF REPORT

As the Trustees of the Charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

INDEPENDENT EXAMINER'S STATEMENT

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed:

Dated: 6 November 2023

Jonathan Miller

FCA DChA

FULL CIRCLE ACCOUNTANCY LIMITED

Chartered Accountants

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	3	16,400	7,500	23,900	70,552
Other trading activities	4	96,225	-	96,225	55,518
Investments	5	15,969	-	15,969	5,126
Other income	6	14,453	-	14,453	5,726
Total income		143,047	7,500	150,547	136,922
Expenditure on:					
Charitable activities	7	74,747	84,972	159,719	281,524
Total expenditure		74,747	84,972	159,719	281,524
Net income/(expenditure)		68,300	(77,472)	(9,172)	(144,602)
Transfers between funds	17	510,936	(510,936)	-	-
Net movement in funds		579,236	(588,408)	(9,172)	(144,602)
Reconciliation of funds:					
Total funds brought forward		(221,698)	3,226,885	3,005,187	3,149,789
Net movement in funds		579,236	(588,408)	(9,172)	(144,602)
Total funds carried forward		357,538	2,638,477	2,996,015	3,005,187

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

The notes on pages 15 to 28 form part of these financial statements.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)
REGISTERED NUMBER: 01850832

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	11	3,049,692	3,148,015
		<u>3,049,692</u>	<u>3,148,015</u>
Current assets			
Stocks	12	4,638	4,051
Debtors	13	23,752	15,388
Cash at bank and in hand		170,907	117,594
		<u>199,297</u>	<u>137,033</u>
Creditors: amounts falling due within one year	14	(20,760)	(40,193)
Net current assets		<u>178,537</u>	<u>96,840</u>
Total assets less current liabilities		<u>3,228,229</u>	<u>3,244,855</u>
Creditors: amounts falling due after more than one year	15	(232,214)	(239,668)
Net assets excluding pension asset		<u>2,996,015</u>	<u>3,005,187</u>
Total net assets		<u><u>2,996,015</u></u>	<u><u>3,005,187</u></u>
Charity funds			
Restricted funds	17	2,638,477	3,226,885
Unrestricted funds	17	357,538	(221,698)
Total funds		<u><u>2,996,015</u></u>	<u><u>3,005,187</u></u>

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY

(A company limited by guarantee)

REGISTERED NUMBER: 01850832

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2023

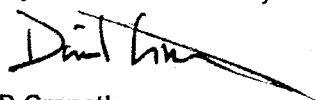
The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees on 06 November 2023 and signed on their behalf by:



D Granath
(Chair of Trustees)

The notes on pages 15 to 28 form part of these financial statements.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)
REGISTERED NUMBER: 01850832

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees on 06 November 2023 and signed on their behalf by:

D Granath
(Chair of Trustees)

The notes on pages 15 to 28 form part of these financial statements.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash used in operating activities	(28,689)	4,002
Cash flows from investing activities		
Dividends, interests and rents from investments	23,208	10,853
Proceeds from the sale of tangible fixed assets	85,500	3,017
Purchase of tangible fixed assets	(3,140)	(6,050)
Net cash provided by investing activities	105,568	7,820
Cash flows from financing activities		
Repayments of borrowing	(9,401)	(14,659)
Interest paid	(14,165)	(7,008)
Net cash used in financing activities	(23,566)	(21,667)
Change in cash and cash equivalents in the year	53,313	(9,845)
Cash and cash equivalents at the beginning of the year	117,594	127,439
Cash and cash equivalents at the end of the year	170,907	117,594

The notes on pages 15 to 28 form part of these financial statements

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. GENERAL INFORMATION

South Tynedale Railway Preservation Society is a company limited by guarantee, domiciled in England and Wales, registration number 01850832. It is a registered charity number 514939. The company's registered office is The Railway Station, Alston, Cumbria CA9 3JB.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

South Tynedale Railway Preservation Society meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Interest receivable

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

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

Freehold property	- 2% reducing balance (land is not depreciated)
Long-term leasehold property	- 2% reducing balance
Plant and machinery	- 10% reducing balance
Locomotives	- 1% straight line
Track and signalling equipment	- 5% reducing balance
Rolling stock	- 2% reducing balance
Other fixed assets	- 20% reducing balance

2.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. ACCOUNTING POLICIES (CONTINUED)

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.10 Financial instruments

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

2.11 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Grants				
Eden District Council	-	7,500	7,500	56,879
Karbon Fund	522	-	522	-
Subtotal	<u>522</u>	<u>7,500</u>	<u>8,022</u>	<u>56,879</u>

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

3. INCOME FROM DONATIONS AND LEGACIES (continued)

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Donations	12,111	-	12,111	9,189
Similar incoming resources	3,767	-	3,767	4,484
Subtotal	15,878	-	15,878	13,673
Total 2023	16,400	7,500	23,900	70,552
<i>Total 2022</i>	<i>69,626</i>	<i>926</i>	<i>70,552</i>	

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

4. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Shop, ticket and other sales	96,225	96,225	55,518
	<u> </u>	<u> </u>	
<i>Total 2022</i>	<u>55,518</u>	<u>55,518</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Rental income	12,330	12,330	4,963
Bank interest receivable	3,639	3,639	163
	<u>15,969</u>	<u>15,969</u>	<u>5,126</u>
<i>Total 2022</i>	<u>5,126</u>	<u>5,126</u>	

6. OTHER INCOMING RESOURCES

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Other incoming resources	14,453	14,453	5,726
	<u> </u>	<u> </u>	
<i>Total 2022</i>	<u>5,726</u>	<u>5,726</u>	

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Infrastructure	35,554	77,160	112,714	226,490
Train operation	39,193	7,812	47,005	55,034
	<u>74,747</u>	<u>84,972</u>	<u>159,719</u>	<u>281,524</u>
<i>Total 2022</i>	<u>148,806</u>	<u>132,718</u>	<u>281,524</u>	

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Infrastructure	90,914	21,800	112,714	226,490
Train operation	68,596	(21,591)	47,005	55,034
	<u>159,510</u>	<u>209</u>	<u>159,719</u>	<u>281,524</u>
<i>Total 2022</i>	<u>203,648</u>	<u>77,876</u>	<u>281,524</u>	

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

ANALYSIS OF DIRECT COSTS

	Infrastructure 2023 £	Train operation 2023 £	Total funds 2023 £	Total funds 2022 £
Depreciation	89,088	-	89,088	155,618
Track and station maintenance	1,826	-	1,826	7,226
Events	-	5,179	5,179	-
Repairs to locomotives	-	21,183	21,183	1,159
Repairs to rolling stock	-	3,386	3,386	598
Site maintenance	-	535	535	7,860
Health and safety	-	-	-	3,508
Rent and rates	-	1,600	1,600	-
Sundry operating costs	-	5,719	5,719	1,858
Coal and diesel	-	6,030	6,030	4,801
Premises expenses	-	9,366	9,366	5,242
Insurance	-	15,598	15,598	15,778
	<u>90,914</u>	<u>68,596</u>	<u>159,510</u>	<u>203,648</u>
<i>Total 2022</i>	<u>174,332</u>	<u>29,316</u>	<u>203,648</u>	

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

ANALYSIS OF SUPPORT COSTS

	Infrastructure 2023 £	Train operation 2023 £	Total funds 2023 £	Total funds 2022 £
Marketing	-	6,365	6,365	9,116
Telephone	-	1,223	1,223	1,285
Office costs	-	8,321	8,321	2,257
Premises expenses	4,566	22,681	27,247	25,034
Sundry and other costs	-	3,107	3,107	3,725
Legal and professional	-	8,212	8,212	28,628
Finance costs	14,164	-	14,164	7,008
Profit on disposal of fixed assets	-	(73,126)	(73,126)	(1,767)
Governance costs	3,070	1,626	4,696	2,590
	<u>21,800</u>	<u>(21,591)</u>	<u>209</u>	<u>77,876</u>
<i>Total 2022</i>	<u>52,159</u>	<u>25,718</u>	<u>77,876</u>	

9. INDEPENDENT EXAMINER'S REMUNERATION

The independent examiner's remuneration amounts to an independent examiner fee of £1,200 (2022 - £1,200).

10. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 March 2023, no Trustee expenses have been incurred (2022 - £NIL).

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. TANGIBLE FIXED ASSETS

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Track and rolling stock £	Other fixed assets £	Total £
Cost or valuation						
At 1 April 2022	2,421,061	124,611	179,247	2,379,905	11,074	5,115,898
Additions	-	-	3,140	-	-	3,140
Disposals	(11,560)	-	(18,766)	(50,935)	-	(81,261)
At 31 March 2023	<u>2,409,501</u>	<u>124,611</u>	<u>163,621</u>	<u>2,328,970</u>	<u>11,074</u>	<u>5,037,777</u>
Depreciation						
At 1 April 2022	314,695	101,960	155,350	1,390,903	4,975	1,967,883
Charge for the year	39,728	453	3,857	44,928	122	89,088
On disposals	(1,577)	-	(17,956)	(49,353)	-	(68,886)
At 31 March 2023	<u>352,846</u>	<u>102,413</u>	<u>141,251</u>	<u>1,386,478</u>	<u>5,097</u>	<u>1,988,085</u>
Net book value						
At 31 March 2023	<u>2,056,655</u>	<u>22,198</u>	<u>22,370</u>	<u>942,492</u>	<u>5,977</u>	<u>3,049,692</u>
At 31 March 2022	<u>2,106,366</u>	<u>22,651</u>	<u>23,897</u>	<u>989,002</u>	<u>6,099</u>	<u>3,148,015</u>

12. STOCKS

	2023 £	2022 £
Stocks	<u>4,638</u>	<u>4,051</u>

13. DEBTORS

	2023 £	2022 £
Due within one year		
Trade debtors	1,668	15,388
Other debtors	2,350	-
Prepayments and accrued income	19,734	-
	<u>23,752</u>	<u>15,388</u>

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loan	7,592	9,539
Trade creditors	2,100	11,467
Other taxation and social security	-	12,078
Accruals and deferred income	11,068	7,109
	<u>20,760</u>	<u>40,193</u>

The bank loan is secured by way of a fixed and floating charge over assets of the charity.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Bank loan	232,214	239,668
	<u>232,214</u>	<u>239,668</u>

The bank loan is secured by way of a fixed and floating charge over assets of the charity.

16. FINANCIAL INSTRUMENTS

	2023	2022
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	170,907	117,594
	<u>170,907</u>	<u>117,594</u>

Financial assets measured at fair value through income and expenditure comprise cash and bank balances.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

17. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
Unrestricted funds					
General Funds	(221,698)	143,047	(74,747)	510,936	357,538
Restricted funds					
Restricted Fund	3,226,885	7,500	(84,972)	(510,936)	2,638,477
Total of funds	3,005,187	150,547	(159,719)	-	2,996,015

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

17. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 April 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2022 £</i>
Unrestricted funds					
General Funds	<u>(358,269)</u>	<u>135,997</u>	<u>(148,807)</u>	<u>149,381</u>	<u>(221,698)</u>
Restricted funds					
Restricted Fund	<u>3,508,058</u>	<u>926</u>	<u>(132,718)</u>	<u>(149,381)</u>	<u>3,226,885</u>
Total of funds	<u><u>3,149,789</u></u>	<u><u>136,923</u></u>	<u><u>(281,525)</u></u>	<u><u>-</u></u>	<u><u>3,005,187</u></u>

18. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
General funds	(221,698)	143,047	(74,747)	510,936	357,538
Restricted funds	3,226,885	7,500	(84,972)	(510,936)	2,638,477
	<u><u>3,005,187</u></u>	<u><u>150,547</u></u>	<u><u>(159,719)</u></u>	<u><u>-</u></u>	<u><u>2,996,015</u></u>

SUMMARY OF FUNDS - PRIOR YEAR

	<i>Balance at 1 April 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2022 £</i>
General funds	(358,269)	135,997	(148,807)	149,381	(221,698)
Restricted funds	3,508,058	926	(132,718)	(149,381)	3,226,885
	<u><u>3,149,789</u></u>	<u><u>136,923</u></u>	<u><u>(281,525)</u></u>	<u><u>-</u></u>	<u><u>3,005,187</u></u>

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	411,215	2,638,477	3,049,692
Current assets	199,297	-	199,297
Creditors due within one year	(20,760)	-	(20,760)
Creditors due in more than one year	(232,214)	-	(232,214)
Total	<u>357,538</u>	<u>2,638,477</u>	<u>2,996,015</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	3,148,015	3,148,015
Current assets	58,163	78,870	137,033
Creditors due within one year	(40,193)	-	(40,193)
Creditors due in more than one year	(239,668)	-	(239,668)
Total	<u>(221,698)</u>	<u>3,226,885</u>	<u>3,005,187</u>

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)	(9,172)	(144,602)
Adjustments for:		
Depreciation charges	89,088	155,618
Dividends, interests and rents from investments	(23,207)	(10,853)
Profit on the sale of fixed assets	(73,126)	(1,766)
Increase in stocks	(587)	(4,051)
Increase in debtors	(8,364)	(9,720)
Increase/(decrease) in creditors	(17,486)	12,368
Interest paid	14,165	7,008
Net cash provided by/(used in) operating activities	(28,689)	4,002

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash in hand	82	60
Notice deposits (less than 3 months)	170,825	117,534
Total cash and cash equivalents	170,907	117,594

22. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	117,594	53,313	170,907
Debt due within 1 year	(9,539)	1,947	(7,592)
Debt due after 1 year	(239,668)	7,454	(232,214)
	(131,613)	62,714	(68,899)

Accounts

Registered number: 01850832

Charity number: 514939

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY

(A company limited by guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

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SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY

(A company limited by guarantee)

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

Trustees

D Granath, Chair
K B S Malone
I Howatt
P S Austen
I H Millward
A J Hallington

Company registered number
01850832

Charity registered number
514939

Registered office
The Railway Station
Alston
Cumbria
CA9 3JB

Independent Examiner
Full Circle Accountancy Limited
Chartered Accountants
The Office
Mardale Road
Penrith
Cumbria
CA11 9EH

Bankers
Santander
Bridle Road
Bootle
Merseyside
L30 4GB

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report together with the financial statements of the charity for the year 1 April 2021 to 31 March 2022. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the charity and the group qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

PREFACE

This trustees' report deals with the year in question and significant post year end events that affect the ability of the charity (also known as the Society) to deliver its objectives.

The charity recommenced running trains in July 2021 and operated through until the end of the year. It then took a break in early 2022 and recommenced operations in April 2022 and at the time of writing continues to run trains.

The charity which is a charitable company remains a going concern and it is planned that it will operate the railway in 2023 reopening in April of that year.

We were fortunate to receive a further Culture Recovery Fund grant of £33,100 under round 2 of the scheme during the year under consideration. This grant together with income earned from running trains and sales of unused equipment in 2022/23 has helped the Society to remain in a viable financial position.

Objectives and Activities

POLICIES AND OBJECTIVES

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit. Public benefit is achieved by the provision of heritage, recreational, economic, and leisure activities and the provision of fulfilling activities for volunteering.

The original objectives of the Society as stated in the Memorandum and Articles of Association still apply. A prime objective is maintaining a timetabled passenger train service and in so doing to earn the fare and other income to support the Society's activities. This remains the plan and trading during 2021/22 and into the 2022 season has been good with people coming back to the railway. We are planning to recommence running our popular Santa Specials for Christmas 2022. The pulling together of the Christmas offer highlights how reliant we are on volunteers to support big events.

Steam services were run using Green Dragon, our bio fuel locomotive, which has proved to be a generally reliable performer but sometimes, both this season (2022) and last season, we have struggled to find steam crews. When this happens out battery electric (Newcastle and Carlisle) and diesel loco (Old Rusty) have been good, reliable standbys.

After a long lay off due to Covid most of our volunteers returned to the railway for our recertification week at the beginning of June 2021 and new volunteers (although not as many as we would like) have joined us.

The ten mile round trip to Slaggyford and back is proving to be a popular tourist attraction with car parking and café facilities at both ends of the line and a trip long enough to enjoy the South Tyne valley but not too long for families. We have had good occupancy levels on all our trains since we reopened. We reduced train capacity to allow for Covid separation but now feel this can be relaxed and this will be the plan for 2023.

Ticket sales both on line and walkons have been buoyant and we seem to be approaching the point where the Society can cover its operating costs but not necessarily major repairs. We carried some 5,600 passengers between April and September 2022.

The trustees' policy to lease the Crossings Café at Alston has continued with the new lessees taking over at the beginning

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2022

of the 2022 season and this arrangement has proved so far successful. The buffet car at Slaggyford is also operated by an independent provider and again this has been successful, providing a destination at the end of the line. Both operations add a great deal to our offer of a great day out.

The Society has, as one of its founding objects, the power to pursue the reinstatement of the entire railway line from Alston to Haltwhistle. It has become apparent to the trustees that the Society does not have the capacity or the funds to achieve this objective at any foreseeable time in the future. Therefore no further action has been taken to acquire the trackbed north of Slaggyford.

The structures on the line north of Slaggyford, Lambley Viaduct and Alston Arches as well as Haltwhistle goods yard are already in the possession of the Society and are well used by the public. They are maintained on a day to day basis but we will require specialist involvement at some point in order to keep the viaducts safe and sound.

VOLUNTEERS

Maintenance of track and infrastructure remains a never ending task with potentially very expensive repairs always lurking just around the corner. This is one of our major risks. However we have a devoted group of gardening, building, permanent way and infrastructure volunteers who work all year round to keep the railway in good order. Similarly, the engineering volunteers do much work behind the scenes to maintain and improve our locos and rolling stock.

The work of the volunteers is supplemented by a number of freelance contractors who provide specialist support in finance, engineering and marketing.

We have also been fortunate in strengthening the governance and management of the railway by appointing a new trustee during 2022/23 as well appointing, at the last AGM, a new membership secretary.

The Society is governed by its volunteer trustees who are also directors of the charitable company. The trustees carry the responsibility for everything that happens on the railway as well as being responsible for its good governance and strategic direction. This means that trustee board meetings address the big issues affecting the railway, the day to day management being delegated to a smaller sub group of trustees who also act as managers of different aspects of the railway.

We have to acknowledge that the present group of volunteers and trustees is mainly at the older end of the age range and this presents one of the greatest risks to the railway. We have seen a reduction in volunteer availability this season and this has unfortunately led to a train cancellations on a number of days.

Perhaps more profoundly we have no immediate prospect of recruiting the next generation of trustees to take the railway forward. Because the railway has no paid staff the role of trustee, as alluded to above, involves for some board members a great deal of day to day management and administration. It appears unlikely that we will be able to replace the present group of trustee/managers and if this is the case the railway will face closure. This will be somewhat ironic as under the present group of trustees the finances of the railway have stabilised and improved.

A significant task remains to recruit more and younger operational volunteers in order that we may run the railway in a reliable manner. We have to look beyond the railway enthusiast community to the wider public who want to make a contribution to the life of their community. Our volunteer cohort tends to be male and more senior in years and we must diversify in order to reach a much wider group. Otherwise we will be losing out on what the community has to offer the railway.

Similarly our trustee group while revived somewhat by recent appointments, needs to become more diverse in terms of range of knowledge and skills and to better reflect the communities the railway serves.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2022

Financial review

A full description of the financial performance and position of the Society is given in the Statement of Financial Activities (SOFA) and Balance Sheet shown later in the accounts.

In summary the income of the Society in 2021/22 was £136,923 and the expenditure was £281,525 resulting in a deficit as shown on the SOFA of £144,602. However within the figure for expenditure was depreciation as a non cash item of £155,619. If this is taken into account the Society had a cash surplus of £11,017 during the year in question.

As a post year end event the Santander bank loan became due for final repayment on 30th June 2022. The sum to be repaid (known as the bullet payment) was £242, 518. The Society was unable to repay this sum and therefore rolled over the balance into a new loan agreement with the bank. This involved taking a further 5 year loan of £245,589 at base rate plus 4.5%. This results in monthly repayments of £2,040 from 1st July 2022.

GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the financial year 2022/23 and into the 2023 operating season. The popularity of the railway as a tourist attraction has provided levels of income that cover most operating costs and the sale of unused and redundant equipment has provided a cash boost. For this reason the trustees continue to adopt the going concern basis in preparing their financial statements.

RESERVES POLICY

The Trustees aim to ensure that sufficient levels of free reserves are maintained to continue the operation of the railway for three months should all other sources of income cease. This equates to a sum of approximately £40,000 for essential running costs and three months bank loan repayments.

In addition a sum of £50,000 is held as a restricted fund for the purposes of the maintenance of Lambley Viaduct and Alston Arches.

Apart from the above mentioned £50,000 all the cash held by the Society is unrestricted. The level of unrestricted funds has been enhanced by the previously mentioned pandemic related grant received during the year end and equipment sales in 2022/23.

DEPRECIATION

The depreciation policy of the Society is shown in note 1.5 to the accounts. The depreciation charge for the year in question shown in note 11 totalled £155,619 based upon the application of the depreciation rates for the various assets held by the Society.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management

CONSTITUTION

POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The governance of the charity is the responsibility of the Trustees who are elected by the members of the Society at the annual general meeting or co-opted by the trustees as necessary between annual general meetings in accordance with the terms of the Articles of Association.

Potential new trustees are interviewed by the present trustees who then recommend or not their appointment to the members at the annual general meeting.

New trustees are provided with the following documents:

- The Memorandum and Articles of Association
- The most recent charity accounts
- The Charity Commission publication CC3 The Essential Trustee
- The Charity Commission Code of Good Governance
- The Office of Road and Rail publication RM3 as applicable to heritage railways

Each trustee upon appointment signs the declaration to confirm that they are not automatically disqualified from being a trustee and they also complete a declaration of interests.

PAY POLICY FOR SENIOR STAFF

The Society has no current employees.

RELATED PARTY RELATIONSHIPS

The Society is a registered charitable company limited by guarantee, where every member's liability is limited to £1. There is a wholly owned subsidiary, the South Tynedale Charitable Community Benefit Society Ltd. This was established to aid the extension of the railway to Haltwhistle and the South Tynedale Railway Preservation Society is the parent to the community benefit society. The community benefit society is currently dormant.

RISK MANAGEMENT

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity. Risks are managed by the Trustees and there is a comprehensive risk register.

The most serious risks at this time are seen as:

- Inability to trade on at least a break even basis leading to the Society's financial failure
- A failure of the governance of the railway that leads to financial failure or unsafe working
- A lack of operational volunteers which leads to the inability to run trains on a reliable basis
- Requirement for major infrastructure repairs that the Society cannot afford

TRUSTEES' INDEMNITIES

The charity holds a standard insurance policy which includes a trustees' indemnity against any liability in connection with any negligence, default, breach of duty or breach of trust in relation to the charity.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2022

FUTURE DEVELOPMENTS

The top aims of the Society for the current year and the following year are:

In 2022/23

- To run a safe railway meeting all regulatory requirements
- To trade on at least a break even basis
- To maintain the infrastructure of the railway
- To continue to ensure the good governance of the Society
- To continue to develop and adhere to the railway safety management system, rulebook and all associated documentation
- To return "BARBER" to steam.
- To run successful Christmas 2022 Santa Specials

In 2023/24

- To operate the railway in a safe and reliable manner and in accordance with all regulatory requirements
- To at least break even in terms of operational expenditure being covered by fare income during the year
- Within the constraints of the break even model to employ professional staff to run the railway
- To recruit new volunteers to assist in the running of the railway
- To recruit suitable new Trustees in order to increase the skills and diversity of the board
- To return "NAKLO" to steam.

MEMBERS' LIABILITY

The Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY

(A company limited by guarantee)

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2022

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of South Tynedale Railway Preservation Society for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

This report was approved by the Trustees, on 19 November 2022 and signed on their behalf by:



D Granath, Chair

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY

(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 MARCH 2022

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY (the 'charity')

I report to the charity Trustees on my examination of the accounts of the charity for the year ended 31 March 2022.

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for my work or for this report.

RESPONSIBILITIES AND BASIS OF REPORT

As the Trustees of the charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

INDEPENDENT EXAMINER'S STATEMENT

I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:

Dated: 19 November 2022

Jonathan Miller FCA DChA

FULL CIRCLE ACCOUNTANCY LIMITED

Chartered Accountants

Independent Examiner

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
INCOME FROM:					
Donations and legacies	2	13,347	326	13,673	22,606
Charitable activities	3	56,279	600	56,879	135,677
Other trading activities	4	66,208	-	66,208	5,441
Investments	5	163	-	163	194
TOTAL INCOME		135,997	926	136,923	163,918
EXPENDITURE ON:					
Charitable activities	9,8	148,807	132,718	281,525	428,644
TOTAL EXPENDITURE	9	148,807	132,718	281,525	428,644
NET EXPENDITURE BEFORE TRANSFERS		(12,810)	(131,792)	(144,602)	(264,726)
Transfers between Funds	17	149,381	(149,381)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		136,571	(281,173)	(144,602)	(264,726)
NET MOVEMENT IN FUNDS		136,571	(281,173)	(144,602)	(264,726)
RECONCILIATION OF FUNDS:					
Total funds brought forward		(358,269)	3,508,058	3,149,789	3,414,515
TOTAL FUNDS CARRIED FORWARD		(221,698)	3,226,885	3,005,187	3,149,789

The notes on pages 12 to 22 form part of these financial statements.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY

(A company limited by guarantee)

REGISTERED NUMBER: 01850832

BALANCE SHEET AS AT 31 MARCH 2022

	Note	£	2022 £	£	2021 £
FIXED ASSETS					
Tangible assets	12		3,148,015		3,298,833
CURRENT ASSETS					
Stocks	13	4,051		-	
Debtors	14	15,388		5,668	
Cash at bank and in hand		117,594		127,439	
		<u>137,033</u>		<u>133,107</u>	
CREDITORS: amounts falling due within one year	15	(40,193)		(31,584)	
NET CURRENT ASSETS			<u>96,840</u>		<u>101,523</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,244,855</u>		<u>3,400,356</u>
CREDITORS: amounts falling due after more than one year	16		(239,668)		(250,567)
NET ASSETS			<u><u>3,005,187</u></u>		<u><u>3,149,789</u></u>
CHARITY FUNDS					
Restricted funds	17		3,226,885		3,508,058
Unrestricted funds	17		(221,698)		(358,269)
TOTAL FUNDS			<u><u>3,005,187</u></u>		<u><u>3,149,789</u></u>

The charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Trustees consider that the charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the charity to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 19 November 2022 and signed on their behalf, by:

D Granath, Chair



The notes on pages 12 to 22 form part of these financial statements.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY

(A company limited by guarantee)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	18	4,002	60,803
Cash flows from investing activities:			
Dividends, interest and rents from investments		10,853	5,635
Proceeds from the sale of tangible fixed assets		3,017	-
Purchase of tangible fixed assets		(6,050)	(19,094)
Net cash provided by/(used in) investing activities		7,820	(13,459)
Cash flows from financing activities:			
Repayments of borrowings		(21,667)	(12,901)
Net cash used in financing activities		(21,667)	(12,901)
Change in cash and cash equivalents in the year		(9,845)	34,443
Cash and cash equivalents brought forward		127,439	92,996
Cash and cash equivalents carried forward	19	117,594	127,439

The notes on pages 12 to 22 form part of these financial statements.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

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

I. ACCOUNTING POLICIES

I.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

South Tynedale Railway Preservation Society meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

I.2 Company status

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. 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.

I.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY

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

I. ACCOUNTING POLICIES (continued)

I.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity including central management and are allocated to activities on a basis consistent with the use of the resources. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

I.5 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% reducing balance
Long-term leasehold property	-	2% reducing balance
Plant and machinery	-	15% reducing balance
Track and Rolling Stock	-	10% reducing balance
Light Railway Order	-	2% reducing balance

I.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities incorporating income and expenditure account.

I.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY

(A company limited by guarantee)

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

I. ACCOUNTING POLICIES (continued)

I.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

I.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

I.10 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

I.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

I.12 Financial instruments

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

I.13 Taxation

The charity is exempt from corporation tax on its charitable activities.

I.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

I.15 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 charity after deducting all of its liabilities.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

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

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	8,863	326	9,189	16,894
Other incoming resources	4,484	-	4,484	5,712
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total 2021	19,606	3,000	22,606	
	<u> </u>	<u> </u>	<u> </u>	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Grant income	56,279	600	56,879	135,677
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total 2021	134,939	738	135,677	
	<u> </u>	<u> </u>	<u> </u>	

Analysis of incoming resources

	2022 £	2021 £
Eden District Council	10,667	8,335
Government grants (COVID recovery)	-	77,204
Heritage Lottery Fund - Emergency funding	41,530	49,400
HLF Catalyst Endowment Fund	600	738
North West Water	3,500	-
Karbon Fund	582	-
	<u> </u>	<u> </u>
	56,879	135,677
	<u> </u>	<u> </u>

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

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

4. TRADING ACTIVITIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Charity trading income				
Rental income	4,963	-	4,963	455
Feed-in tariff	5,726	-	5,726	4,986
Shop ticket and other sales	55,518	-	55,518	-
Subtotal	<u>66,207</u>	<u>-</u>	<u>66,207</u>	<u>5,441</u>
Other charity trading income	1	-	1	-
	<u>66,208</u>	<u>-</u>	<u>66,208</u>	<u>5,441</u>
Net income from trading activities	<u><u>66,208</u></u>	<u><u>-</u></u>	<u><u>66,208</u></u>	<u><u>5,441</u></u>

5. INVESTMENT INCOME

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	<u>163</u>	<u>-</u>	<u>163</u>	<u>194</u>
Total 2021	<u><u>194</u></u>	<u><u>-</u></u>	<u><u>194</u></u>	

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY

(A company limited by guarantee)

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

6. DIRECT COSTS

	Fundraising	Infrastructure	Train operation	Total 2022	Total 2021
	£	£	£	£	£
Track and station maintenance	-	7,226	-	7,226	6,677
Repairs to locomotives	-	-	1,159	1,159	17,916
Repairs to rolling stock	-	-	598	598	2,613
Site maintenance	-	7,860	-	7,860	24,664
Health and safety	-	3,508	-	3,508	552
Publicity	-	-	-	-	1,755
Sundry operating costs	-	119	1,739	1,858	3,324
Coal and diesel	-	-	4,801	4,801	1,202
South Tynedale Railway Limited loan write off	-	-	-	-	5,467
Depreciation	-	153,852	-	153,852	306,608
	-	172,565	8,297	180,862	370,778
<i>Total 2021</i>	1,755	340,627	28,396	370,778	

7. SUPPORT COSTS

	Infrastructure	Train operation	Total 2022	Total 2021
	£	£	£	£
Marketing	-	9,116	9,116	230
Telephone	-	1,285	1,285	832
Office costs	-	3,122	3,122	2,834
Premises expenses	30,238	39	30,277	13,751
Insurance	14,913	-	14,913	8,354
Sundry and other costs	-	3,724	3,724	2,679
Legal and professional	-	17,871	17,871	17,099
Finance costs	7,008	-	7,008	5,662
	52,159	35,157	87,316	51,441
<i>Total 2021</i>	25,304	26,137	51,441	

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY

(A company limited by guarantee)

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

8. GOVERNANCE COSTS

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Accountancy	11,908	-	11,908	5,690
Bank charges	1,439	-	1,439	735
	<u>13,347</u>	<u>-</u>	<u>13,347</u>	<u>6,425</u>

9. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Depreciation 2022 £	Other costs 2022 £	Total 2022 £	Total 2021 £
Fundraising	-	-	-	1,755
Infrastructure	153,852	70,872	224,724	365,931
Train operation	-	43,454	43,454	54,533
	<u>153,852</u>	<u>114,326</u>	<u>268,178</u>	<u>422,219</u>
Charitable activities				
Expenditure on governance	-	13,347	13,347	6,425
	<u>153,852</u>	<u>127,673</u>	<u>281,525</u>	<u>428,644</u>
Total 2021	<u>306,608</u>	<u>122,036</u>	<u>428,644</u>	

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets:		
- owned by the charity	<u>155,618</u>	<u>212,850</u>

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

During the year, no Trustees received any benefits in kind (2021 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2021 - £NIL).

11. INDEPENDENT EXAMINER'S REMUNERATION

The Independent Examiner's remuneration amounts to a fee of £1,150 (2021 - £1,150).

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

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

12. TANGIBLE FIXED ASSETS

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Track and rolling stock £	Light Railway Order £	Total £
Cost						
At 1 April 2021	2,421,061	124,611	175,697	2,381,175	11,074	5,113,618
Additions	-	-	6,050	-	-	6,050
Disposals	-	-	(2,500)	(1,270)	-	(3,770)
At 31 March 2022	2,421,061	124,611	179,247	2,379,905	11,074	5,115,898
Depreciation						
At 1 April 2021	274,162	101,498	152,976	1,281,298	4,851	1,814,785
Charge for the year	40,533	462	3,624	110,875	124	155,618
On disposals	-	-	(1,250)	(1,270)	-	(2,520)
At 31 March 2022	314,695	101,960	155,350	1,390,903	4,975	1,967,883
Net book value						
At 31 March 2022	2,106,366	22,651	23,897	989,002	6,099	3,148,015
At 31 March 2021	2,146,899	23,113	22,721	1,099,877	6,223	3,298,833

13. STOCKS

	2022 £	2021 £
Stock	4,051	-

14. DEBTORS

	2022 £	2021 £
Trade debtors	15,388	-
VAT repayable	-	5,668
	15,388	5,668

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

15. CREDITORS: Amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	9,539	13,297
Trade creditors	11,467	479
Other taxation and social security	12,078	-
Accruals and deferred income	7,109	17,808
	<u>40,193</u>	<u>31,584</u>

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

	2022	2021
	£	£
Bank loans	<u>239,668</u>	<u>250,567</u>

Included within the above are amounts falling due as follows:

	2022	2021
	£	£
Between one and two years		
Bank loans	<u>9,522</u>	<u>13,296</u>
Between two and five years		
Bank loans	<u>230,146</u>	<u>237,271</u>

The bank loan is secured by a legal charge on certain land and buildings.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY

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

17. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
Unrestricted funds					
General Fund	(358,269)	135,997	(148,807)	149,381	(221,698)
Restricted funds					
Restricted funds	3,508,058	926	(132,718)	(149,381)	3,226,885
Total of funds	3,149,789	136,923	(281,525)	-	3,005,187

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2020 £	Income £	Expenditure £	Balance at 31 March 2021 £
General funds				
General Fund	(89,805)	160,180	(428,644)	(358,269)
Restricted funds				
Restricted funds	3,504,320	3,738	-	3,508,058
Total of funds	3,414,515	163,918	(428,644)	3,149,789

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
General funds	(358,269)	135,997	(148,807)	149,381	(221,698)
Restricted funds	3,508,058	926	(132,718)	(149,381)	3,226,885
	3,149,789	136,923	(281,525)	-	3,005,187

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

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

17. STATEMENT OF FUNDS (continued)

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 April 2020 £	Income £	Expenditure £	Balance at 31 March 2021 £
General funds	(89,805)	160,180	(428,644)	(358,269)
Restricted funds	3,504,320	3,738	-	3,508,058
	<u>3,414,515</u>	<u>163,918</u>	<u>(428,644)</u>	<u>3,149,789</u>

18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net expenditure for the year (as per Statement of Financial Activities)	(144,602)	(264,726)
Adjustment for:		
Depreciation charges	155,618	212,850
Dividends, interest and rents from investments	(10,853)	(5,635)
Impairment of freehold assets	-	93,758
Increase in stocks	(4,051)	-
(Increase)/decrease in debtors	(9,720)	2,111
Increase in creditors	12,368	16,783
Interest paid	7,008	5,662
Profit on disposal of assets	(1,766)	-
Net cash provided by operating activities	<u>4,002</u>	<u>60,803</u>

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash in hand	117,594	127,439
Total	<u>117,594</u>	<u>127,439</u>

20. CONTROLLING PARTY

The charity is under the control of the Trustees.

Accounts

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY

(A company limited by guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

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SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2021

Trustees

A R Farrar (resigned 13 July 2020)
D Granath, Chair
K B S Malone
D A Kent (resigned 6 January 2021)
I Howatt
C W Bray (resigned 1 August 2020)
P S Austen
Prof M R Ashley (resigned 16 July 2020)
A F Quine (resigned 3 August 2020)
I H Millward
A J Hallington (appointed 8 March 2021)

Company registered number
01850832

Charity registered number
514939

Registered office

The Railway Station
Alston
Cumbria
CA9 3JB

Independent Examiner

Full Circle Accountancy Limited
Chartered Accountants
The Office
Mardale Road
Penrith
Cumbria
CA11 9EH

Bankers

Santander
Bridle Road
Bootle
Merseyside
L30 4GB

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the financial statements of the charity for the 1 April 2020 to 31 March 2021. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the charity and the group qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

PREFACE

This trustees' report deals with the year in question and significant post year end events that affect the ability of the charity (also known as the Society) to deliver its objectives.

The Covid 19 crisis prevented us from running trains in 2020. This factor coupled with a weak financial situation led to the charity's trading company South Tynedale Railway Ltd becoming insolvent and it was put into administration on 31st August 2020.

The charity which is a charitable company remains a going concern and it is planned that it will operate the railway in 2021.

We have been fortunate to receive grants related to the Covid 19 crisis from Eden District Council (£10,000) who handled the government scheme for organisations claiming small business rate relief, a Heritage Fund Emergency Grant (£49,400) and a Culture Recovery Fund grant (£84,300). These have helped to pay vital costs to keep the charity running and there are funds in hand to help to prepare for the planned reopening in 2021. These funds will be reported upon in the 2020/21 accounts.

Objectives and Activities

POLICIES AND OBJECTIVES

The original objectives of the Society as stated in the Constitution section of this report still apply.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit. Public benefit is achieved by the provision of heritage, recreational, economic, and leisure activities and the provision of fulfilling activities for volunteering.

The original objectives of the Society as stated in the Memorandum and Articles of Association still apply. A prime objective is maintaining a timetabled passenger train service and in so doing to earn the fare and other income to support the Society's activities. In pursuit of this objective the railway recommenced operations on 1st July 2021 and plans to run trains through until the end of November 2021 and Christmas specials in December 2021.

Steam services were run using Green Dragon, our bio fuel locomotive, which has proved to be a generally reliable performer. We are currently also bringing our 2nd steam locomotive Barber back into service.

The two battery electric locomotives, Newcastle and Carlisle, are also proving to be reliable performers and these are supplemented by our diesel locomotive Old Rusty.

We are pleased to report that after a long lay off most of our volunteers returned to the railway for our recertification week at the beginning of June and we have had sufficient crews to run a reliable passenger service. To all those volunteers our appreciation and thanks.

The ten mile round trip to Slaggyford and back is proving to be a popular tourist attraction with car parking and café facilities at both ends of the line and a trip long enough to enjoy the South Tyne valley but not too long for families. We have had good occupancy levels on all our trains since we reopened albeit with reduced capacity due to Covid social distancing in our carriages having taken out about half our seats, a policy we are currently relaxing to create more capacity. Ticket sales both on line and walk-ons have been buoyant.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

The trustees decided to contract out the cafés at Alston and Slaggyford this year as it was not felt that we had the capacity in house to operate these services. Somewhat disappointingly this arrangement was not successful and, recognising the importance of catering on the railway, we will be looking for another provider for next season.

The Society has, as one of its founding objects, the power to pursue the reinstatement of the entire railway line from Alston to Hatlwhistle. It has become apparent to the trustees that the Society does not have the capacity or the funds to achieve this objective at any foreseeable time in the future. For this reason the process of obtaining the trackbed from Slaggyford north to Haltwhistle has been curtailed. To have taken on the trackbed and more particularly the many structures on the line would have created liabilities and responsibilities that the Society could not fulfil and could have threatened the existence of the Society if these liabilities became crystallised.

VOLUNTEERS

Volunteers, Trustees and Staffing

Maintenance of track and infrastructure remains a never ending task with potentially very expensive repairs always lurking just around the corner. Given the financial position of the Society this is one of our major risks. However we have a devoted group of gardening, building and infrastructure volunteers who work all year round to keep the railway in good order. Similarly the engineering volunteers do much work behind the scenes to maintain and improve our locos and rolling stock. It is a tribute to their efforts that the railway was able to reopen without too many problems after being closed for more than 18 months.

The work of the volunteers has been supplemented by a number of freelance contractors who provide specialist support in finance, engineering and marketing.

We have also been fortunate in strengthening the governance and management of the railway by appointing a volunteer treasurer who works alongside the trustees in financial planning and monitoring. In particular we have developed a new financial reporting format in order that trustees can be confident that they are fully aware of the financial position of the railway.

Similarly we have appointed a further trustee who has taken on the role of health and safety advisor to the railway. This is of considerable importance in an area of work that involves the management of many potential hazards. We are expecting an inspectorial visit from the Office of Rail and Road and much effort has been put into establishing a new Safety Management System.

The Society is governed by its trustees who are also directors of the charitable company. The trustees carry the responsibility for everything that happens on the railway as well as being responsible for its good governance and strategic direction. Recent events, in particular the liquidation of the trading company and the risks this presented to the future of the Society, illustrate the burden of responsibility that is carried by volunteer charity trustees.

We have to acknowledge that the present group of volunteers and trustees is mainly at the older end of the age range and this presents one of the greatest risks to the railway, simply finding there are no active volunteers left.

Therefore a significant task is to recruit more and younger operational volunteers in order that we may run the railway in a reliable manner. We have to look beyond the railway enthusiast community to the wider public who want to make a contribution to the life of their community. Our volunteer cohort tend to be male and more senior in years and we must diversify in order to reach a much wider group. Otherwise we will be losing out on what the community has to offer the railway.

Similarly our trustee group somewhat revived by recent appointments, needs to be strengthened to include a more diverse range of knowledge and skills and to better reflect the communities the railway serves. However it is not about the number of trustees on the board but how they operate together as a team to deliver the objects of the charitable company.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY

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

INVESTMENT POLICY AND PERFORMANCE

The Trustees operate within the governing document, the Memorandum and Articles of Association having regard to the guidance provided by the Charities Commission.

Financial review

GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the year 2021/22 and re-open to the public in the spring of 2022. For this reason they continue to adopt the going concern basis in preparing the financial statements.

RESERVES POLICY

The Trustees aims to ensure that sufficient levels of free reserves are maintained to continue the operation of the railway for three months should all other sources of income cease.

A part of the reserves held (£50,000) is a restricted fund for the purposes of the maintenance of two viaduct structures. The level of free reserves has been enhanced by the previously mentioned pandemic related grants received during the year end. However there is also the need for significant expenditure to keep the Society running over the winter period when there is little earned income.

The aim is retain free reserves equivalent to three months running costs although it remains to be seen whether this can be achieved.

DEPRECIATION

The depreciation policy of the Society is shown in note 1.5 to the accounts. The depreciation charge for the year in question totalled £212,850 based upon the application of the depreciation rates for the various assets held by the Society.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management

CONSTITUTION

METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The governance of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The governance of the charity is the responsibility of the Trustees who are elected by the members of the Society at the annual general meeting or co-opted by the trustees as necessary between annual general meetings in accordance with the terms of the Articles of Association.

Potential new trustees are interviewed by the present trustees who then recommend or not their appointment to the members at the annual general meeting.

New trustees are provided with the following documents:

- The Memorandum and Articles of Association
- The most recent charity accounts
- The Charity Commission publication CC3 The Essential Trustee
- The Charity Commission Code of Good Governance
- The Office of Road and Rail publication RM3 as applicable to heritage railways

Each trustee upon appointment signs the declaration to confirm that they are not automatically disqualified from being a trustee and they also complete a declaration of interests.

PAY POLICY FOR SENIOR STAFF

The Society has no current employees. When it does employ staff it is at accepted heritage railway rates of remuneration.

RELATED PARTY RELATIONSHIPS

The Society is a registered charitable company limited by guarantee, where every Members liability is limited to £1. There are two wholly owned subsidiaries:

- a) South Tynedale Railway Ltd is a company limited by shares that operates the railway and its trading activities on behalf of the Society. This company was placed into administration on 31st August 2021 having become insolvent and has since been wound up.
- b) South Tynedale Charitable Community Benefit Society Ltd has been established to aid the extension of the railway to Haltwhistle and the South Tynedale Railway Preservation Society is the parent to the community benefit society. This organisation has not yet traded.

RISK MANAGEMENT

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity. Risks are managed by the Trustees and there is a comprehensive risk register.

The most serious risks at this time are seen as:

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2021

- Inability to trade on at least a break even basis leading to the Society's financial failure
- The re emergence of Covid 19 in the spring of 2022 preventing the railway restarting
- A failure of the governance of the railway that leads to financial failure or unsafe working
- A lack of operational volunteers which leads to the inability to run trains on a reliable basis
- Requirement for major infrastructure repairs that the Society cannot afford

TRUSTEES' INDEMNITIES

The charity holds a standard insurance policy which includes a trustees' indemnity against any liability in connection with any negligence, default, breach of duty or breach of trust in relation to the charity.

FUTURE DEVELOPMENTS

The top aims of the Society for each the next two years are:

In 2021/22

- To complete the process already embarked upon to restructure the business model of the railway by delivering all services through the charitable company in the future and thus creating clearer lines of responsibility and accountability
- To develop the governance of the Society in order to conform to Charity Commission guidance CC3 The Essential Trustee, the Charity Commission Code of Good Governance and the requirements in relation to governance contained in the Office of Rail and Road RM3 guidance as applied to heritage railways.
- To trade on an at least break even basis during the 2022 summer season.
- To develop the railway safety management system, rulebook and all associated documentation and have all staff trained in these documents in order to be ready for the 2022 running season
- To re certify all locomotives and rolling stock and to ensure that track and infrastructure are ready for the 2022 running season and to improve the Covid safety of carriages
- To return "BARBER" to steam.
- To run successful Christmas 2021 trains.

In 2022/23

- To operate the railway in a safe and reliable manner and in accordance with all regulatory requirements
- To at least break even in terms of operational expenditure being covered by fare income during the year
- Within the constraints of the break even model to employ professional staff to run the railway
- To recruit volunteers to assist in the running of the railway with a particular emphasis on the recruitment of operational volunteers
- To recruit suitable new Trustees in order to increase the skills and diversity of the board
- To come to a satisfactory arrangement to provide cafe facilities at Alston and Slaggyford, either in-house or through an external provider.
- To return "NAKLO" to steam.

MEMBERS' LIABILITY

The Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY

(A company limited by guarantee)

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

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of South Tynedale Railway Preservation Society for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

This report was approved by the Trustees, on 13 November 2021 and signed on their behalf by:



D Granath, Chair

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2021

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY (the 'charity')

I report to the charity Trustees on my examination of the accounts of the charity for the year ended 31 March 2021.

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for my work or for this report.

RESPONSIBILITIES AND BASIS OF REPORT

As the Trustees of the charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

INDEPENDENT EXAMINER'S STATEMENT

I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:

Dated: 13 November 2021

Jonathan Miller FCA DChA

FULL CIRCLE ACCOUNTANCY LIMITED

Chartered Accountants

Independent Examiner

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE
ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
INCOME FROM:					
Donations and legacies	2	19,606	3,000	22,606	18,853
Charitable activities	3	134,939	738	135,677	43,500
Other trading activities	4	5,441	-	5,441	5,827
Investments	5	194	-	194	869
TOTAL INCOME		160,180	3,738	163,918	69,049
EXPENDITURE ON:					
Charitable activities	9,8	428,644	-	428,644	482,998
TOTAL EXPENDITURE	9	428,644	-	428,644	482,998
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT LOSSES		(268,464)	3,738	(264,726)	(413,949)
Net losses on investments		-	-	-	(100)
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(268,464)	3,738	(264,726)	(414,049)
NET MOVEMENT IN FUNDS		(268,464)	3,738	(264,726)	(414,049)
RECONCILIATION OF FUNDS:					
Total funds brought forward		(89,805)	3,504,320	3,414,515	3,828,564
TOTAL FUNDS CARRIED FORWARD		(358,269)	3,508,058	3,149,789	3,414,515

The notes on pages 12 to 23 form part of these financial statements.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY

(A company limited by guarantee)

REGISTERED NUMBER: 01850832

**BALANCE SHEET
AS AT 31 MARCH 2021**

	Note	£	2021 £	£	2020 £
FIXED ASSETS					
Tangible assets	12		3,298,833		3,586,347
CURRENT ASSETS					
Debtors	14	5,668		7,779	
Cash at bank and in hand		127,439		92,996	
			<u>133,107</u>	<u>100,775</u>	
CREDITORS: amounts falling due within one year	15	(31,580)		(13,851)	
NET CURRENT ASSETS			<u>101,527</u>		<u>86,924</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,400,360</u>		<u>3,673,271</u>
CREDITORS: amounts falling due after more than one year	16		(250,571)		(258,756)
NET ASSETS			<u><u>3,149,789</u></u>		<u><u>3,414,515</u></u>
CHARITY FUNDS					
Restricted funds	17		3,508,058		3,504,320
Unrestricted funds	17		(358,269)		(89,805)
TOTAL FUNDS			<u><u>3,149,789</u></u>		<u><u>3,414,515</u></u>

The charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Trustees consider that the charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the charity to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 13 November 2021 and signed on their behalf, by:

D Granath, Chair



The notes on pages 12 to 23 form part of these financial statements.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	18	60,803	(127,826)
Cash flows from investing activities:			
Dividends, interest and rents from investments		5,635	6,696
Purchase of tangible fixed assets		(19,094)	(5,100)
Net cash (used in)/provided by investing activities		(13,459)	1,596
Cash flows from financing activities:			
Repayments of borrowings		(12,901)	(19,513)
Net cash used in financing activities		(12,901)	(19,513)
Change in cash and cash equivalents in the year		34,443	(145,743)
Cash and cash equivalents brought forward		92,996	238,739
Cash and cash equivalents carried forward	19	127,439	92,996

The notes on pages 12 to 23 form part of these financial statements.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

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

I. ACCOUNTING POLICIES

I.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

South Tynedale Railway Preservation Society meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

I.2 Company status

The charity is a company limited by guarantee. The members of the company are the Trustees named on page I. 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.

I.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

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

I. ACCOUNTING POLICIES (continued)

I.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity including central management and are allocated to activities on a basis consistent with the use of the resources. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

I.5 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Long-term leasehold property	-	2% straight line
Plant and machinery	-	15% reducing balance/25% straight line
Track and Rolling Stock	-	10% reducing balance/25% straight line
Light Railway Order	-	2% reducing balance

I.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities incorporating income and expenditure account.

I.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

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

I. ACCOUNTING POLICIES (continued)

I.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

I.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

I.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

I.11 Financial instruments

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

I.12 Taxation

The charity is exempt from corporation tax on its charitable activities.

I.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

I.14 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 charity after deducting all of its liabilities.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

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

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	13,894	3,000	16,894	12,335
Other incoming resources	5,712	-	5,712	6,518
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Total 2020</i>	<u>18,370</u>	<u>483</u>	<u>18,853</u>	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Train operation, infrastructure and fundraising	134,939	738	135,677	43,500
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Total 2020</i>	<u>-</u>	<u>43,500</u>	<u>43,500</u>	

Analysis of incoming resources

	2021 £	2020 £
Eden District Council	8,335	-
Government grants (COVID recovery)	77,204	-
Heritage Lottery Fund - Emergency funding	49,400	-
HLF Catalyst Endowment Fund	738	-
Social Investment Business	-	43,500
	<u> </u>	<u> </u>
	<u>135,677</u>	<u>43,500</u>

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

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

4. TRADING ACTIVITIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Charity trading income				
Rental income	455	-	455	-
Feed-in tariff	4,986	-	4,986	5,827
	<u>5,441</u>	<u>-</u>	<u>5,441</u>	<u>5,827</u>
Net income from trading activities	<u>5,441</u>	<u>-</u>	<u>5,441</u>	<u>5,827</u>

5. INVESTMENT INCOME

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	194	-	194	869
	<u>194</u>	<u>-</u>	<u>194</u>	<u>869</u>
<i>Total 2020</i>	<u>869</u>	<u>-</u>	<u>869</u>	

6. DIRECT COSTS

	Fundraising £	Infrastructure £	Train operation £	Total 2021 £	Total 2020 £
Track and station maintenance	-	6,677	-	6,677	1,918
Repairs to locomotives	-	-	17,916	17,916	10,361
Repairs to rolling stock	-	-	2,613	2,613	339
Site maintenance	-	24,664	-	24,664	5,065
Health and safety	-	552	-	552	-
Publicity	1,755	-	-	1,755	20
Sundry operating costs	-	2,126	1,198	3,324	840
Coal and diesel	-	-	1,202	1,202	90
Project equipment and overheads	-	-	-	-	115,390
Volunteers expenses	-	-	-	-	300
South Tynedale Railway Limited loan write off	-	-	5,467	5,467	74,091
Depreciation	-	306,608	-	306,608	258,498
	<u>1,755</u>	<u>340,627</u>	<u>28,396</u>	<u>370,778</u>	<u>466,912</u>
<i>Total 2020</i>	<u>20</u>	<u>276,181</u>	<u>190,711</u>	<u>466,912</u>	

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

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

7. SUPPORT COSTS

	Infrastructure £	Train operation £	Total 2021 £	Total 2020 £
Marketing	-	230	230	-
Telephone	-	832	832	-
Office costs	-	2,834	2,834	3,157
Premises expenses	12,959	792	13,751	-
Insurance	6,683	1,671	8,354	-
Sundry and other costs	-	2,679	2,679	50
Legal and professional	-	17,099	17,099	-
Finance costs	5,662	-	5,662	7,576
	25,304	26,137	51,441	10,783
<i>Total 2020</i>	-	10,783	10,783	

8. GOVERNANCE COSTS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Accountancy	5,690	-	5,690	1,500
Legal and professional	-	-	-	2,652
Bank charges	735	-	735	761
Trustees expenses reimbursed	-	-	-	390
	6,425	-	6,425	5,303

9. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Depreciation 2021 £	Other costs 2021 £	Total 2021 £	Total 2020 £
Fundraising	-	1,755	1,755	20
Infrastructure	306,608	59,323	365,931	276,181
Train operation	-	54,533	54,533	201,494
Charitable activities	306,608	115,611	422,219	477,695
Expenditure on governance	-	6,425	6,425	5,303
	306,608	122,036	428,644	482,998
<i>Total 2020</i>	258,498	224,500	482,998	

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2021	<i>2020</i>
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	212,850	258,498
	=====	=====

During the year, no Trustees received any remuneration (2020 - £NIL).

During the year, no Trustees received any benefits in kind (2020 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2020 - £390).

11. INDEPENDENT EXAMINER'S REMUNERATION

The Independent Examiner's remuneration amounts to a fee of £1,150 (2020 - £1,150).

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

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

12. TANGIBLE FIXED ASSETS

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Track and rolling stock £	Light Railway Order £	Total £
Cost						
At 1 April 2020	2,518,005	124,610	163,698	2,381,175	11,074	5,198,562
Additions	7,094	-	12,000	-	-	19,094
Disposals	(104,038)	-	-	-	-	(104,038)
At 31 March 2021	2,421,061	124,610	175,698	2,381,175	11,074	5,113,618
Depreciation						
At 1 April 2020	249,077	100,799	130,038	1,127,577	4,724	1,612,215
Charge for the year	35,365	699	22,938	153,721	127	212,850
On disposals	(10,280)	-	-	-	-	(10,280)
At 31 March 2021	274,162	101,498	152,976	1,281,298	4,851	1,814,785
Net book value						
At 31 March 2021	2,146,899	23,112	22,722	1,099,877	6,223	3,298,833
At 31 March 2020	2,268,928	23,811	33,660	1,253,598	6,350	3,586,347

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

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

13. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
Market value	
At 1 April 2020 and 31 March 2021	100
Impairment	
At 1 April 2020 and 31 March 2021	100
Net book value	
At 31 March 2021	-
At 31 March 2020	-
Historical cost	100

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Holding
South Tynedale Railway Limited (in liquidation)	100%

14. DEBTORS

	2021 £	2020 £
Trade debtors	-	36
VAT repayable	5,668	4,459
Other debtors	-	3,284
	<u>5,668</u>	<u>7,779</u>

15. CREDITORS: Amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts	13,297	12,351
Trade creditors	479	-
Accruals and deferred income	17,804	1,500
	<u>31,580</u>	<u>13,851</u>

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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

	2021 £	2020 £
Bank loans	250,571	258,756

Included within the above are amounts falling due as follows:

	2021 £	2020 £
Between one and two years		
Bank loans	13,296	13,473
Between two and five years		
Bank loans	237,275	245,283

The bank loan is secured by a legal charge on certain land and buildings.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

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

17. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2020 £	Income £	Expenditure £	Balance at 31 March 2021 £
Unrestricted funds				
General Fund	(89,805)	160,180	(428,644)	(358,269)
Restricted funds				
Restricted funds	3,504,320	3,738	-	3,508,058
Total of funds	3,414,515	163,918	(428,644)	3,149,789

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2020 £
General funds					
General Fund	(12,174)	25,066	(102,597)	(100)	(89,805)
Restricted funds					
Restricted funds	3,840,738	43,983	(380,401)	-	3,504,320
Total of funds	3,828,564	69,049	(482,998)	(100)	3,414,515

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 April 2020 £	Income £	Expenditure £	Balance at 31 March 2021 £
General funds	(89,805)	160,180	(428,644)	(358,269)
Restricted funds	3,504,320	3,738	-	3,508,058
	3,414,515	163,918	(428,644)	3,149,789

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

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

17. STATEMENT OF FUNDS (continued)

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2020 £
General funds	(12,174)	25,066	(102,597)	(100)	(89,805)
Restricted funds	3,840,738	43,983	(380,401)	-	3,504,320
	<u>3,828,564</u>	<u>69,049</u>	<u>(482,998)</u>	<u>(100)</u>	<u>3,414,515</u>

18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(264,726)	(414,049)
Adjustment for:		
Depreciation charges	212,850	258,498
Dividends, interest and rents from investments	(5,635)	(6,695)
Impairment of freehold assets	93,758	-
Decrease in debtors	2,111	119,533
Increase/(decrease) in creditors	16,783	(92,789)
Interest paid	5,662	7,576
Investment impairment	-	100
Net cash provided by/(used in) operating activities	<u>60,803</u>	<u>(127,826)</u>

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash in hand	127,439	92,996
Total	<u>127,439</u>	<u>92,996</u>

20. RELATED PARTY TRANSACTIONS

South Tynedale Railway Limited, a company limited by shares wholly owned by the charity was put into liquidation in August 2020 and consequently the remaining balance due to the charity has been written off.

21. CONTROLLING PARTY

The charity is under the control of the Trustees.