
MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY



Registered Office: Sheringham Station, Sheringham, Norfolk, NR26 8RA
A Company Limited by Guarantee Registered No. 03355411
Registered Charity No. 1063676

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

Reference and Administrative Details
Company Information

Board of Trustees (Directors)

M R Blee (Chairman)
G Wigglesworth
K R Ashford
D J Ballard
A E Dewey
S D Roberts
N A Scarlett

Company Secretary

A E Dewey

Registered Office

Sheringham Station
Sheringham
Norfolk, NR26 8RA

Registered Company Number

03355411

Registered Charity Number

1063676

Working Names

M&GN Society
M&GN Joint Railway Society
M&GNJRS

Auditors

Peters, Elworthy & Moore
Salisbury House
Station Road
Cambridge, CB1 2LA

Bankers

Lloyds Bank plc
Norwich Gentlemens Walk
PO Box 99, BX1 1LT

Barclays Bank plc
PO Box 1, Banbury
Oxon, OX16 8PS

CCLA Investment Management Limited
One Angel Lane
London, EC4R 3AB

Paypal
Ballycoolin Industrial Estate
Dublin 15, Ireland

SumUp Payments Limited
32-34 Great Marlborough Street
London, W1F 7JB

Stripe Payments Europe Limited
The One Building
1 Grand Canal Street Lower
Dublin 2, Ireland

Investment Managers

Cazenove Capital
1 London Wall Place
London, EC2Y 5AU

Insight Financial Advisors
7a Alkmaar Way
Norwich International Business Park
Norwich, Norfolk, NR6 6BF

REPORT OF THE BOARD OF TRUSTEES

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Midland and Great Northern Joint Railway Society (the Charity/Society) for the year ended 31 January 2025. The Trustees confirm that the annual report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity'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) (second edition - October 2019).

The Charity qualifies as small under section 383, so the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 is not required.

Objectives and Activities

Objectives

The Society's principal objective is to advance public education by the acquisition, restoration, preservation and exhibition of locomotives, rolling stock and other railway artefacts and, in particular, those of the former Midland & Great Northern Joint Railway (M&GNJR) and its antecedent and successor companies, as follows:

- a) Ownership, restoration and operational display of locomotives appropriate to the Society;
- b) Ownership, restoration and operational display (where practicable) of historic carriages and wagons;
- c) Assisting other organisations to restore and display locomotives, rolling stock and other railway structures and artefacts, through the provision of financial support, technical advice or such other appropriate support;
- d) Ownership and display of museum collections that inform and educate;
- e) Assisting other organisations with an interest in educating about railway history, through the provision of advice, access to and loan of artefacts in the Society's possession and other appropriate support;
- f) The North Norfolk Railway (NNR) to be the Society's preferred (but not necessarily exclusive) partner for pursuing the aims in a) to e) above; and
- g) Maximise the Society's revenue earning capability in order to support the above aims.

Its vision for the foreseeable future is to focus on the geographical area of the M&GNJR and other aspects of East Anglian railway history by means of this mission statement, as contained in the 2022-2026 Strategic Plan which will be reviewed as a result of the capital restructuring of the NNR plc as detailed below.

Main Activities

The Society's main activities undertaken in relation to the above purposes are as follows:

- a) acquisition, restoration, preservation and exhibition of the railway items mentioned above principally utilising the facilities of the NNR which assists in these being achieved;
- b) scheduled running of locomotives, carriages and rolling stock for public access, mainly on the NNR but occasionally at other locations;
- c) where possible contracting restoration and maintenance works to the NNR's engineering facilities at Weybourne but using outside specialist contractors or volunteers where considered appropriate;
- d) operating the *William Marriott Museum* (WMM) at Holt for the display of artefacts and documents;
- e) operating a shop selling, amongst other items, railway publications of an historical and educational nature and increasingly, those produced in-house; and
- f) awarding grants to the NNR and others to support projects that are consistent with the Society's principal objective.

Main Activities to Further the Society's Purposes for the Public Benefit

The Society is based at the NNR, whose aims are to operate a heritage railway for the benefit of the public, currently 5¼ miles from Sheringham via Weybourne to Holt. Train services normally operate on around 250 days of the year for public enjoyment. This enables members of the public to view the Society's preserved steam and diesel locomotives in operation, travelling in carriages owned by the NNR and the Society's preserved operational LNER Quad Art Set and vintage carriages.

REPORT OF THE BOARD OF TRUSTEES – Continued

Objectives and Activities (continued)

Main Activities to Further the Society's Purposes for the Public Benefit (continued)

The NNR's engineering facilities where Society locomotives and rolling stock are restored and maintained are not generally open to the public for safety reasons but viewing can be arranged, and guided tours are offered at some special events, including Members' Weekend which is held every October. The *William Marriott Museum*, named after the M&GNJR's chief engineer, located at Holt houses the Society's extensive collection of railway objects, artefacts and records. It is open to the public every day when the railway is running and offers free entry to visitors arriving by train. The Railway Cottage at Holt is also an attraction in its own right by re-creating how it may have presented in 1935.

These activities help to educate and entertain the general public as part of the development and history of railways. They are complemented by the educational reading material in the museum and the publications about railways which are available to purchase from the Society's Weybourne shop, the museum and online.

Public Benefit

The Society aspires to be a professional charitable organisation, adding historical value to the knowledge of the general public about the M&GNJR and East Anglian railways in general, in a manner which is both educational and fun for its members and the general public. In the exercise of its powers in relation to its objectives and missions, the Board of Trustees has paid due regard to the published guidance from the Charity Commission on the operation of the Public Benefit requirements under the Charities Act 2011.

Volunteers

The Society relies entirely on volunteers to achieve its aims and objectives and has no paid staff. Volunteers are involved with restoration and maintenance projects, running the Society's museum, sales and fund-raising, marketing, finance, governance and administration. Volunteers of the Society are normally members who pay an annual subscription, often supplemented by regular or one-off donations to their choice of fund and many are also volunteers for the NNR.

Achievements and Performance

Summary of the Main Achievements

Conservation – Locomotive and Diesel Multiple Unit Carriage Overhauls

During the year, work has progressed on the overhauls of the B12/3 and *Ring Haw*. The boilers are at NNR's Engineering Works at Weybourne, whilst the *Ring Haw* chassis and B12/3 chassis and tender are at outside contractors. The B12/3 tender was returned to Weybourne in December 2024 for storage, having received undercoat and the first topcoat of Apple Green paint. Note 29 to the Financial Statements gives details of the contracts and costs to date. Ongoing boiler overhaul costs of £5,784 have been capitalised but not depreciated in the year whilst work is ongoing to complete the boiler overhauls.

The Class 101 DMU is undergoing an identity change due to a cosmetic conversion of the exterior of the units to represent one of the extinct Met-Camm Lightweight units, meaning that the unit will be able to recreate the last passenger train to run along the NNR in commercial service. Trailer car E56062 re-entered traffic in February 2025 in its new guise under new number E79263, with power car E51228 awaiting a bodywork overhaul, after which it will re-enter traffic as E79047 to complete the new set.

Conservation – Coaching Stock and Wagon Restoration.

The *Joint Heritage Coach Fund* volunteers' team continued to make steady progress in the workshop on Thompson BSF 1866, with Gresley Brake Third Open (BTO) E43556 being overhauled at an outside contractor. Once the BTO has been delivered back to Weybourne, it is planned to send the Gresley Tourist Third Open (TTO) E52256 to the contractor for restoration for eventual use as part of the regular coaching rake used by the NNR. As part of the NNR's 'one in, one out' policy for coaching stock, approval was given at the 2023 AGM for the disposal of LNER BG 70621 as the original intentions for use were no longer feasible. As there was no serious interest in the coach, in September 2024 the Society entered into an Operating and Maintenance Agreement with the NNR to use the coach as a storage and packing coach for the Santa Special trains, with the coach being restored under a

REPORT OF THE BOARD OF TRUSTEES – Continued

Achievements and Performance (continued)

Summary of the Main Achievements (continued)

Conservation – Coaching Stock and Wagon Restoration (*continued*)

partnership arrangement between the Society, NNR and several other parties. Society volunteers at Holt, known as ‘Team Pete’ have completed overhauls of the Fruit D ‘Passfruit’ Wagon W92097W and the BR 12-ton Pipe Wagon B740916, and have now turned their attention to the Vintage Train carriages starting with the M&GN Picnic Saloon No.3, to be followed by the G.E. Brake Coach 853.

Conservation - Operations.

The Railway opened for February 2024 half term and remained so up to the planned closure in early January 2025, with total steam locomotive running days of 62 (2024: 85), and total diesel running days of 87 (2024: 136).

The J15/Y14 operated on 21 days (2024: 84) and was withdrawn from service in April 2024, three months before the expiration of its ten-year boiler certificate, due to problems with five stays in the firebox. The repairs to the boiler of the WD were finally completed in November 2024 resulting in the locomotive operating on festive trains in December 2024 and January 2025 covering 6 days (2024: 1). *Wissington* operated on 35 days (2024: 0) hauling the vintage carriage set which has proven to be very popular.

For the diesels, Class 31 operated on 61 days (2024: 84), including shunting and trip workings. The installation of the new steam heating system was completed during the year, with training on its use is to be carried out in 2025, to enable its carriage heating facility to be available for services over the 2025-26 festive period. Of our three shunters, D3935 is operating as Weybourne Yard pilot and D3940 as Sheringham Station Pilot. 12131 is currently being worked on by a team of ‘Wednesday Volunteers’ to restore it to an acceptable and robust operating condition to meet the requirement of the agreement between the Society and the NNR to ensure that at least two of the shunters are available in full working order for use by the NNR.

The Class 101 DMU 2 car set was split for maintenance in early 2023, with the trailer car E56062 requiring extensive bodywork repairs and therefore achieving no usage in the year (2024: 1), whilst the power car E51228 operated on 26 days (2024: 51), before being withdrawn for a bodywork overhaul.

The Society’s unique Quad Art Set 74 celebrated its 100th year in service in 2024, whilst as detailed above, the Vintage Carriage set is regular in operation with the individual carriages currently being overhauled in turn.

Education – The *William Marriott Museum* was open for a full season from February – October 2024, visitor numbers were 18,342, including 170 non-travelling visitors (February to October 2023: 17,109). The Railway Cottage at Holt also opened for a full season in 2024 over the same period. Visitor numbers were in the region of 15,000 (February to October 2023: under 14,000). During the year, one of the garden sheds has been re-purposed and made into a 1930s laundry room where the recently restored period washing machine and other artefacts can be displayed. *Joint Line* continued to maintain its high-quality standards as a journal under the editorship of Dave Ballard, celebrating its 200th edition with the Spring 2024 issue. The issue had a black and white design that graced the first 19 covers and contained a comprehensive index of the main articles published over the 200 issues, split into nine subject sections. The Society continued to support the engineering apprentice at Weybourne as he entered his final year of a three-year term and also agreed to fund a further engineering apprentice who started his three-year term in September 2024.

Membership – The number of primary memberships 2,370 at January 2025 compared to 2,435 at January 2024, a decrease of 65 or 2.7%. Historically, memberships increase as the new running season starts, so the trustees are not unusually concerned about this. Membership subscriptions were increased from 1st August 2024, for the first time since 1st April 2019. During the Covid pandemic, the Society was grateful for members who renewed their subscriptions when the railway wasn’t running, and with the increase in inflation that followed, subscriptions were held at pre-Covid levels to encourage membership retention. The trustees have announced that annual increases in membership rates will continue, together with the removal of the senior category, with effect from 1st August 2025, to bring the Society membership categories in line with the NNR’s ticketing policy.

REPORT OF THE BOARD OF TRUSTEES – Continued

Achievements and Performance (continued)

Primary Purpose Trading - Weybourne bookshop, eBay shop and own publications increased turnover by 13% to over £59k (2024: £53k). This reflects the first full trading year of the bookshop extension, *'The Sidings'*, situated in the PMV in the bay platform at Weybourne. Once again, the bookshop was opened during the NNR Santa Specials, giving an additional attraction at Weybourne for passengers. eBay sales for the year were in excess of £10k, showing how valuable an online sales presence is for the Society.

Grants – During the year, two grants were awarded to the NNR, £3,850 for the refurbishment of the Holt Down Section signal (work completed and grant paid over in April 2025) and £85,000 for the employment of an engineering apprentice for the three-year period from September 2024 to August 2027. The award of the apprentice grant was approved by the trustees in conjunction with their plans for the overhaul of the J15/Y14. Rather than award the overhaul to external contractors which would incur significant transport costs as well as profit for the contractors, the light overhaul of the frames and the tender will be carried out by the NNR at Weybourne, whilst the boiler overhaul will be contracted out. This will enable the NNR apprentices to gain experience on the overhaul that they would otherwise not be able to do, which will result in new skills being learnt for the future benefit of the Society and the NNR. The grant of £13,001 awarded to the NNR in 2023 for life extension work on Sheringham West Signal Box, has not yet been paid due the deferment of the work until at least February 2026.

Financial Review

The results for the year are set out in the attached financial statements from page 15 onwards. Total incoming resources amounted to £304,536 (2024: £581,001) which, after total expenditure of £585,946 (2024: £449,950,) and unrealised investment gains of £87,876 (2024: £11,237), resulted in net expenditure before transfers of £193,534 (2024: net income £142,288). At the end of the period, the Society had net assets of £3,094,183 (2023: £3,287,717).

The reduction in total income is due mainly to a reduction in legacies received in the year of £265,229. During the year two legacies amounting to £29,029 were received with no restriction on their use. The trustees have designated this amount to the Special Projects Fund, until such time as an appropriate project can be identified. The increase in expenditure arises from the awarding of the £85,000 apprenticeship grant to the NNR, together with further significant expenditure on locomotive and carriage overhauls. The resulting net expenditure for the year is therefore due to expenditure of funds received and accounted for as income in previous years. Due to the liquidation of the Cazenove investment portfolio, as stated in note 15, the trustees are confident that the Society holds sufficient readily available cash to complete the locomotive and coaching stock overhauls currently being carried out.

The Steam Locomotive Legacy continued to make gains during the current financial year. As stated in note 15 to the Financial Statements, just before the year end the decision was taken to liquidate the investment with Cazenove, realising £343,956 which currently sits in the Barclays current account. The current investments now total £664,764 at the year end. Realised and unrealised gains, net of losses, and interest earned on the portfolio were £116,911 during the year, with portfolio management charges of £5,460.

General Fund is the sole purely unrestricted fund. The income amounted to £112,259 with expenditure of £114,299 and net transfers to other funds of £180 (see notes 20 and 23), resulting in General Funds decreasing by £2,220 to £245,198 at 31 January 2025. Members' subscriptions raised £66,733 towards the Society running costs of £107,745 including *Joint Line*, asset insurance, premises, equipment, storage, administration and governance. Weybourne shop contributed £6,325 gross margin from sales of purchased goods. Donations (including Gift Aid), bequests, museum entry fees, interest received, and sundry income produced £32,647.

Designated funds have purposes determined by the Board, but these could be changed if considered appropriate. Because of this, they are classified as unrestricted in the Statement of Financial Activities and on the Balance Sheet. Details of these funds, their income and expenditure, balances and purposes are shown in note 21.

REPORT OF THE BOARD OF TRUSTEES – Continued

Financial Review (continued)

Restricted funds are for specific purposes enabling donors, who provide the majority of the income, to direct their donations to the funds in the knowledge they will only be spent on the specified purpose. Details of these funds are shown in note 22. The majority of funds are for locomotives and carriages and wagons restoration and maintenance but also include a museum operating fund (which receives visitors' donations), a fund for developing Holt Goods Yard (also receives donations), a fund for the Heritage Lottery funded carriage sheds (the expense being the depreciation of the sheds' costs) and a fund for small grants (which receives donations).

Endowment Fund holds no cash and represents the face value of donated NNR shares and the acquisition cost of heritage assets.

All funds maintained positive balances at 31 January 2025 (2024 all positive).

Reserves Policy and Going Concern

The Board of Trustees is aware of the need to maintain as a minimum sufficient unrestricted free reserves to meet ongoing direct and administrative expenditure for a period of at least 12 months. At 31 January 2025 the balance on General Fund is £245,198 of which approximately £212,000 is represented by free reserves. Together with approximately £291,000 free reserves in designated funds, this is more than adequate for the Society's average annual running costs referred to above and so the Board considers its minimum free reserves policy is being achieved, and that the Society remains a going concern.

However, the Board is also aware of the need to generate additional unrestricted free reserves to help meet the costs of specific restoration and ongoing maintenance projects when there are insufficient specific funds. In the past the General Fund has provided funds towards steam loco overhaul costs, and asset purchases if other funds are unavailable.

Investment Policy

Cash which may be required at short notice is held in current and deposit accounts with the Society's banks except for that not required in the immediate short term which is deposited with CCLA Investment Management Ltd in its COIF Charity Funds. The Board considers this to be the most suitable place to safeguard such funds. However, with the receipt of the large legacy in 2019-20, the trustees reviewed the policy for market investments and sought appropriate investment advice. The new policy was adopted by the Board in their meeting on 21 September 2019. The suitability of the Society's investments is reviewed with the fund managers annually, and the decision to liquidate the Cazenove Investment portfolio in January 2025 was as a result of such a review.

In formulating the policy, the Board had regard to the guidance given by the Charity Commission. A summary of the policy is as follows:

- Objectives - A target annual investment return of not less than 2% above the annual rate of inflation;
- Risk - Cautious, return as above and at least 60% of funds in assets with low to medium risk attached, diversified by asset class and fund manager with not more than 35% of funds invested in a single investment;
- Timeline - Not expected to liquidate in the short term, say less than three years; and
- Management of Investments - An Investment Committee comprising three Trustees to give instructions to investment/fund managers, monitor the investments' performance and report to the Board.

Other investment is in NNR shares and bonds which are explained elsewhere in this report.

Future Developments

The Society has a 5-year Strategic Plan which is reviewed annually by the Board of Trustees. The 2022-26 Plan is due for review as a result of the capital restructuring of the NNR plc as detailed below.

REPORT OF THE BOARD OF TRUSTEES – Continued

Structure, Governance and Management

Governing Document and Constitution

Midland and Great Northern Joint Railway Society ('the Society') is a charitable company limited by guarantee, incorporated on 17 April 1997 and registered as a charity on 30 July 1997. The company was incorporated under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Each principal member of the Society is, therefore, a member of the company and has a right to attend and vote at company general meetings. In the event of the company being wound up each member undertakes to contribute an amount not exceeding £1.

Recruitment and Appointment to Board of Trustees

Under the company's Memorandum and Articles, the directors are known as members of the Council of Management or Governing Body. The 2012 Strategy Plan introduced the designation Board of Trustees. The articles require all Board members to be members of the company. The Board has power to appoint any person to be a member of the Board and any member (of the Board) so appointed may hold office until the following Annual General Meeting and shall then be eligible for re-election. Members of the Board aged 70 or over are subject to annual re-election. Apart from these and those retiring by choice, one-third of the Board is subject to re-election on an annual basis.

The Board of Trustees is always mindful of the need to maintain skills, knowledge and commitment on the Board and is alert to potential new candidates. When suitable candidates become available, their attributes are considered and where appointment is appropriate and desirable, a vote is taken by the Board. Most candidates are generally already known and have usually held a volunteer role before being elected; however, the Board are looking to advertising externally for trustees with specific experience in the areas of fundraising and legal matters.

Organisational Structure and Decision Making

The Board of Trustees manages the Society. Board members are elected for their knowledge and/or expertise and each has specific unpaid executive responsibilities. The Board meets at least 6 times a year. In between meetings, matters requiring the Board's authorisation are dealt with by email and/or telephone and then ratified and minuted at its next meeting. Board members have responsibilities for projects and activities and have decision-making and spending authorities within parameters and budgets approved by the Board.

As the Society is entirely voluntarily run, it has no Chief Executive Officer, but the Chairman and Treasurer, are regarded as senior staff and comprise an informal Executive Board and consult with the appropriate Trustee to deal with relevant matters as required. All trustees are consulted on major decisions by email with decisions ratified and recorded at the next Trustee Board meeting.

Risk Management

The Society's policy when carrying out a project is that there must be sufficient expectation that it will be able to meet all costs from existing funds or new donations, appeals and/or grant applications. No project is allowed to proceed without the Board of Trustees being reasonably satisfied that suitable funds can be or have been raised. The Board also requires regular written reports on progress and ongoing funding of projects.

The Society uses the operations of the NNR as a venue for public exhibition of its assets and provision of facilities for restoration and storage. The Board feels that the level of involvement and general co-operation between the two organisations has justified its investment and reduced the risk of commercial failure.

The Board is responsible for safeguarding the Society's assets and so ensures that relevant levels of insurance cover are provided where appropriate. The trend has been and will continue to be one of increasing cost and the Society jointly insures its risks with the NNR to ensure that there are no gaps or duplication in cover across the two organisations. The cover held by the Society is reviewed annually and approved by the Board.

REPORT OF THE BOARD OF TRUSTEES – Continued

Structure, Governance and Management (continued)

Risk management (continued)

Wherever possible, liability for the protection of Society assets is passed to users and borrowers of assets under formal running/display agreements. The Society strongly encouraged the formal locomotive inspection documentation, schedules and examinations introduced on the NNR (mainline standard A, B and C exams) in order to help safeguard the condition of its operational locomotives.

The Board is aware of the membership's ageing profile and seeks to involve younger members at Board level and in restoration projects to help deliver a secure membership base for the future. During the year, complimentary membership of the Society, together with an electronic copy of *Joint Line* has been offered to all members of the NNR's Youth Development Club, with a view to them becoming Society members on leaving the Club.

The Board considers from time to time the major risks to which the Society may be exposed and where possible takes action or introduces procedures to mitigate those risks. The situation is kept under review.

Relationships with related parties

Under the terms of the Society's Memorandum of Association, it has the power to subscribe for shares, stocks, debentures or other securities of any other company, enabling it to invest monies not immediately required for furtherance of its objects in such investments, securities or property as the Board may consider fit.

Shares have been subscribed for in the NNR, which is not a charity, as part of the strategic alliance between the two organisations. The Society, which is the major shareholder, is able to appoint up to three Board members to the NNR Board and has other members on strategic committees which helps to strengthen the partnership. This investment has been made purely for the purpose of assisting that company to enhance facilities and equipment, creating a more secure and appropriate base for the Society's assets and a venue to enable the Society to exhibit its assets to the public. No financial return is anticipated as the NNR does not have authority under its Articles of Association to pay dividends. However, investments in NNR Bonds, as detailed in note 15, for a similar purpose do earn interest.

The Society continues to support by other means, e.g. grants, specific heritage projects undertaken by the NNR which, in the opinion of the Board of Trustees, are in line with the Society's charitable activities and objectives.

The Society and NNR are related parties and details of transactions etc. are shown in note 16 to the accounts.

The current method of 'investment' provides the following non-monetary benefits:

- influence at the NNR Board level through involvement of our nominated representatives;
- improved relationships between the two organisations, enabling them to progress the same strategic aim of developing the railway between Sheringham and Holt as a live working heritage museum; and
- the Society's continued use of NNR's facilities for storage, restoration and maintenance of its assets.

Over time, the investment has aided the provision of a permanent home for the Society's other equipment, artefacts, documents and records, enabling more of these to be publicly exhibited than had previously been possible due to the lack of adequate display facilities. Thus, the investment continues to be particularly relevant to the Society in meeting its charitable aims although without any dividend or distribution return.

The Society also owns 100% of the issued capital in Midland & Great Northern Heritage Ltd, which was set up as a wholly owned subsidiary for non-charitable trading activities. At the date of publication of the financial statements the company was not trading.

Fundraising Activities

Society Trustees are legally responsible for the Society's fundraising activities and are committed to comply fully with the Charity Commission guidance CC20 on the duty of Trustees to have oversight of fundraising practices.

REPORT OF THE BOARD OF TRUSTEES – Continued

Fundraising Activities (continued)

Society members are encouraged to donate to Society funds through articles and advertisements in *Joint Line*. Members of the public travelling on the NNR are invited through leaflets displayed there to become Society members or to contribute to the various funds which support our heritage assets and charitable activities. The Society website, through which our eBay shop operates, also details ways in which supporters can raise funds for the Society by using easyfundraising when they shop online with various retail sites. The Society does not cold call or make public or static collections and has not used the services of a professional fundraiser or commercial participator during the year. All funds raised are used to enable the Society to undertake activities in pursuit of its charitable objectives, and if given for a restricted purpose recorded as such and only used for that purpose.

All fundraising activity by the Society is monitored by the Trustees, who are not aware of any failure to comply with the Fundraising Code of Practice. No complaints about our fundraising were received during the year.

Responsibilities of the Board of Trustees

Company and charity law requires the Board of Trustees to prepare financial statements for each financial year. Under that law the Board has elected to prepare the financial statements in accordance with Generally Accepted Accounting Practice in the UK and Republic of Ireland and applicable law. The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of the incoming resources and application of resources, including income and expenditure, of the charitable company for the financial year. In preparing those financial statements, the Board is required to:

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

The Board of Trustees is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Board is 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. Finally, the Board is responsible for the maintenance and integrity of the corporate and financial information included on the Society's website.

Members of the Board of Trustees

Members of the Board of Trustees, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year to 31 January 2025 were:

K R Ashford	S D Roberts
D J Ballard	N A Scarlett
M R Blee – Chairman	G Wigglesworth -Vice Chairman
A E Dewey - Treasurer and Company secretary	

Pursuant to Article 37, A E Dewey, S D Roberts and N A Scarlett, being age 70 or over at the forthcoming Annual General Meeting, are subject to annual re-election, and offer themselves for re-election at that meeting.

Pursuant to Articles 36 and 38 one-third of the remaining directors, M R Blee, retires and being eligible offers himself for re-election at the forthcoming Annual General Meeting.

As at 31 January 2025, M R Blee, G Wigglesworth and A E Dewey represented the Society on the NNR Board.

REPORT OF THE BOARD OF TRUSTEES – Continued

Members of the Board of Trustees (continued)

The Society insures against risks to its assets and the various aspects of its activities by way of joint policies with the NNR. These include directors, officers and trustees' liability, including professional indemnity, cover and the estimated indemnity premium for Society board members is £240 (2024: £240), being a proportion of the total premium of £2,196 (2024: £2,196).

Independent Examiners/Auditors

Peters, Elworthy & Moore (PEM) were appointed Independent Examiners at the 2024 Annual General Meeting until the conclusion of the next AGM and the Trustees were authorised to fix their remuneration. When it became apparent that an audit would be required for the financial year ended 31st January 2025, PEM were appointed Auditors by the Trustees at their Board Meeting in January 2025. PEM will be proposed for reappointment at the forthcoming Annual General Meeting in accordance with section 489 of the Companies Act 2006.

Future Relationship with the North Norfolk Railway

At their March 2024 meeting, the Board of NNR plc adopted a Fundraising Strategy proposing changing the capital structure of the Company, in order to gain access to funds and cost savings not currently available to them as a Public Limited Company. The Directors agreed that a closer legal relationship with a registered charity would be advantageous to achieve this aim and approved an approach to the Society to invite them to take effective control of NNR plc. This was approved by the Society Trustees, as it would help stabilise the financial future of the NNR.

As detailed in note 31, from 1st February 2025, the Society achieved 100% voting control of the North Norfolk Railway plc as a result of the resolutions passed by the NNR's ordinary shareholders at an Extraordinary General Meeting held on that date. A Collaboration and Services Agreement between the two organisations is currently being discussed by both Boards, with a desire to have this signed by 31st January 2026. It is envisaged that the Society will set the strategy and annual objectives for the NNR, who will remain responsible for the day-to-day running of the railway and all trading activities. Whilst this agreement is being discussed, action is already being taken to bring the two organisations closer.

From 1st March 2025, the Society has leased new offices which will be occupied by both the Society and NNR staff. The Society is primarily responsible for all costs associated with the building, including an upgrade of the IT structure and equipment to allow a closer working relationship between staff, as well as reducing costs due to business rates and IT discounts available to the Society as a charity. Plans are underway for the integration of the general and financial administration of the Society and the NNR to further reduce costs and improve efficiency. Recruitment is currently underway for the appointment of a Fundraising Officer who will be responsible for increasing non-operating income across both organisations. Grants are becoming increasingly more available to charitable bodies only, so these will be applied for in the name of the Society and used by the appropriate organisation. For those members of the public who wish to regularly support 'The Railway', membership of the Society has been the only method. The widening of the membership offering is under discussion to increase such income, not directly associated with the operation of train services. The public image of 'The Railway' is being discussed to achieve a common image for both organisations covering communications, both printed and online, the first step being the Society's Spring 2025 edition of its magazine *Joint Line* now being described on its cover as the 'Journal of the M&GN Society and North Norfolk Railway'.

Further developments will be regularly reported to Society members and the public as appropriate, with a detailed update being presented to the Society and NNR AGMs in July 2025.

M R Blee
Chairman

17 May 2025

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

Opinion

We have audited the financial statements of Midland and Great Northern Joint Railway Society (the 'charitable company') for the year ended 31 January 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 January 2025 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Trustees' Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY (Continued)

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY (Continued)

Auditors' responsibilities for the audit of the financial statements (continued)

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with Trustees and other management, and from our knowledge of charity and company law and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charities Act 2011 and taxation legislation;
- in addition, we considered provisions of other laws and regulations which do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid material penalties; and
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, reviewing the minutes of Trustees' meetings and inspecting legal correspondence.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- make enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.
- performed analytical procedures to identify any unusual or unexpected relationships;
- we designed procedures to identify unexpected and unusual journal entries and performed testing to confirm the validity of such postings; and
- we evaluated the assumptions and judgements used by management within significant accounting estimates and assessed whether these indicated evidence of management bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any correspondence with relevant regulators such as the Charity Commission.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY (Continued)

Auditors' responsibilities for the audit of the financial statements (continued)

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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

Michael Hewett (Senior Statutory Auditor)

for and on behalf of
Peters Elworthy & Moore
Chartered Accountants
Statutory Auditors
Salisbury House
Station Road
Cambridge
CB1 2LA

Date: 23rd May 2025

**STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JANUARY 2025**

	Note	Unrestricted funds £	Restricted funds £	Endowment fund £	2025 Total £	2024 Total £
Income and endowments from:						
Donations and legacies	3	36,886	30,944	-	67,830	337,280
Other trading activities	4	-	8,328	-	8,328	10,901
Investments & interest receivable	5	20,298	29,440	-	49,738	46,187
Charitable activities:						
Conservation activities	7	43,780	7,000	-	50,780	76,010
Education activities	8	2,142	-	-	2,142	2,115
Membership subscriptions	9	66,733	-	-	66,733	55,056
Primary purpose trading	10	12,879	46,106	-	58,985	53,452
Total income		<u>182,718</u>	<u>121,818</u>	<u>-</u>	<u>304,536</u>	<u>581,001</u>
Expenditure on:						
Raising funds	6	835	9,087	-	9,922	12,145
Charitable activities:						
Conservation activities	7	440,507	65,436	-	505,943	351,519
Education activities	8	4,980	1,147	-	6,127	8,521
Membership	9	53,422	-	-	53,422	61,263
Primary purpose trading	10	7,372	3,160	-	10,532	16,502
Total expenditure		<u>507,116</u>	<u>78,830</u>	<u>-</u>	<u>585,946</u>	<u>449,950</u>
Net (expenditure) / income before investment gains		(324,398)	42,988	-	(281,410)	131,051
Net gains on investments	15	<u>-</u>	<u>87,876</u>	<u>-</u>	<u>87,876</u>	<u>11,237</u>
Net (expenditure) / income before transfers	12	(324,398)	130,864	-	(193,534)	142,288
Transfers between funds	23	222,968	(223,148)	180	-	-
Net Movement in Funds		<u>(101,430)</u>	<u>(92,284)</u>	<u>180</u>	<u>(193,534)</u>	<u>142,288</u>
Total Funds brought forward		810,248	1,806,889	670,580	3,287,717	3,145,429
Total Funds carried forward	20	<u>708,818</u>	<u>1,714,605</u>	<u>670,760</u>	<u>3,094,183</u>	<u>3,287,717</u>

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

The notes on pages 18 to 35 form part of these financial statements.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
Company Limited by Guarantee Registered Number 03355411

BALANCE SHEET AS AT 31 JANUARY 2025

	Note	2025 £	2024 £ As restated
Fixed Assets			
Heritage assets	14	533,782	558,867
Tangible assets	14	348,549	360,914
Investments	15	<u>962,207</u>	<u>1,217,035</u>
Total fixed assets		<u>1,844,538</u>	<u>2,136,816</u>
Current Assets			
Stocks		112,864	118,310
Debtors	17	41,069	72,646
Cash at bank and in hand	26	<u>1,264,044</u>	<u>1,079,247</u>
Total current assets		1,417,977	1,270,203
Liabilities			
Creditors: Amounts falling due within one year	18	<u>(82,414)</u>	<u>(100,177)</u>
Net current assets		1,335,563	1,170,026
Total assets less current liabilities		<u>3,180,101</u>	<u>3,306,842</u>
Creditors: Amounts falling due after more than one year	19	<u>(85,918)</u>	<u>(19,125)</u>
Net Assets		<u>3,094,183</u>	<u>3,287,717</u>
Funds of the charity			
Endowment fund	23	670,760	670,580
Restricted income funds	22	1,714,605	1,806,889
Unrestricted funds	20	708,818	810,248
Total charity funds		<u>3,094,183</u>	<u>3,287,717</u>

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, which have been prepared in accordance with the provisions applicable to companies subject to the small company regime.

The notes on pages 18 to 35 form part of these financial statements which comprise the Statement of Financial Activities (incorporating Income and Expenditure Account), Balance Sheet, Statement of Cash Flows and Notes thereto.

The financial statements were approved and authorised for issue by the Board of Trustees on 17 May 2025 and signed on its behalf by:

M R Blee – Chairman

A E Dewey – Treasurer

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2025**

	Note	2025 Total £	£	2024 Total £	£
Cash flows from operating activities					
Net cash (expended on) / generated by operating activities	25	(202,042)		141,326	
Cash flows from investing activities					
Dividends, interest and rent from investments	25	47,938		46,187	
Purchase of property, plant and equipment	14	(5,784)		(85,318)	
Proceeds from the disposal of listed investments	15	411,228		77,785	
Purchase of listed investments	15	(63,270)		(75,260)	
		390,112		(36,606)	
Change in cash and cash equivalents in the reporting period		188,070		104,720	
Cash and cash equivalents at the beginning of the reporting period	26	1,083,048		978,328	
Cash and cash equivalents at the end of the reporting period	26	1,271,118		1,083,048	

The notes on pages 18 to 35 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Charities SORP (FRS 102) (Second Edition – October 2019) - 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 statements also comply with the requirements of sections 394 and 395 of the Companies Act 2006, and with the requirements of that Act relating to the financial statements in so far as applicable to the company, and the Charities Act 2011.

During the year, there have been no discontinued activities or new activities acquired.

The financial statements are prepared in sterling, being the functional currency of the Society and rounded to the nearest £1. There are no recognised gains or losses other than those included in net income. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). Other than the unrealised gains or losses on quoted assets, historical cost surpluses and deficits are as recorded in the Statement of Financial Activities.

Going concern

The Board has assessed by means of budgets, forecasts and other information that the Society will have adequate reserves and cash twelve months from the date these accounts are approved to maintain the Society's assets in operational condition. Accordingly, the Board continues to adopt the going concern basis of accounting in preparing these financial statements.

Group accounts

These are the separate financial statements of the company as it is entitled to the exemption under Section 398 of the Companies Act 2006 from the obligation to prepare group accounts.

Fund Accounting

The Society's restricted funds relate to locomotives, rolling stock, museum and educational activities and grants for heritage projects. Restrictions arise when specified by the donor. Where the donor does not specify a particular fund, donations are included in unrestricted funds which are used in accordance with the charitable objects at the discretion of the Board of Trustees. This includes the designation of funds to specific projects, some of which may already be financed partly by restricted funds. Governance costs are charged to the general unrestricted fund. Endowment fund represents investments made by the Society under its Articles of Association, including in heritage assets.

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.

Membership subscriptions, which are treated as donations, income from support clubs, shop and other sales and museum entry fees are recognised upon receipt. Locomotive steaming and rolling stock hire fees represent fees earned during the period exclusive of VAT.

Donation income is recognised when received or, before receipt if it becomes reasonably certain that the donation will be received, and the value of the income can be reliably measured. Gift Aid reclaimed is included as received during the period it relates to provided claims have been lodged but not settled after the end of the period.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued

1. Accounting policies - continued

Income (continued)

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.

Interest represents income received from bank and COIF deposits, the NNR bond and the steam loco legacy investments. 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. Wholesale educational publishing sales are included at the point of invoicing.

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. Expenditure is included on an accruals basis, exclusive of any VAT, provided that has been or is expected to be recovered. Costs are allocated to expense headings on a direct cost basis.

Trading costs are those incurred on the Charity's shops and publications. Costs of generating funds comprise costs associated with running the support clubs.

Charitable activities are costs incurred on the Charity's conservation and education activities, including support costs and costs relating to the governance of the Charity apportioned to charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include central costs. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made. The total of grants awarded but not paid at the yearend is categorised as to the date when the individual grants are expected to be paid.

Museum lease

The cost of the museum lease premium is being amortised over fifty years from August 2006 when the museum building first came into use. The lease actually runs for fifty years from 11 April 2008. The costs of museum tenant's improvements are being depreciated over twenty-five years.

Stock

Stock consists of relevant merchandise for sale and exceptional quantities or items of materials or spares for restoration projects and maintenance which have been purchased to secure special items or to gain a price advantage. All stock has been valued at the lower of cost and net realisable value.

In-house produced educational publications are not valued for stock purposes at the end of the year of publication or subsequently as they are considered as 'back issues' with less sales potential. Donated items for sale are not valued upon receipt or at the year-end due to the large volume of items received and which would be onerous to count and value with limited volunteer resources and in any case, most sell fairly quickly, and it is considered that the aggregate value at selling price remains reasonably constant.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued

1. Accounting policies - continued

Cash at bank and in hand

Cash at bank and cash 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.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The society 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.

Estimates and Judgements Policy

In the application of the Charity's accounting policies, Trustees are required to make judgements, estimates and assumptions. The estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Investments

Investments are included at fair value, as notified by the Society's Investment Managers, except for those not listed on a recognised stock exchange and subsidiary undertakings/associates which are included at cost or par value.

Intangible Income

No income is recognised for donated services etc. unless any cost borne by the donor can be determined. No monetary value is placed on the services of volunteers unless a value can be determined such as in grant claims.

Tangible Fixed Assets (including Heritage Assets) and Depreciation

Purchased items are included at cost and donated items are included at no value or cost associated with acquisition. Individual items costing less than £1,000 are not generally capitalised, although exceptional Museum Collection items may be.

Restoration costs of heritage assets are not capitalised as the expense is intended to restore the items to original condition and not enhance or alter them. Steam locomotive boiler overhaul costs have been capitalised as components with effect from 1 February 2012.

Depreciation is only charged on these historic artefacts and items where the carrying value is considered to be greater than the residual value. For operational heritage assets and locomotive boilers, depreciation is provided at the rate of 10% straight line. Other items are depreciated on a straight-line basis as follows: storage facilities 10%, office equipment 33⅓%, shop equipment 10%, museum fittings and equipment 10% and carriage sheds 2%. Annual impairment reviews of all tangible assets, except the Museum Collection, are carried out at the time of preparation of the financial statements and coinciding with the review of sums assured for insurance purposes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued

2. Status

The Society has no share capital, being a company limited by guarantee incorporated in England and Wales and is a registered charity. Each member in the event of a winding up guarantees to contribute a sum not exceeding £1. Midland and Great Northern Joint Railway Society meets the definition of a public benefit entity under FRS 102.

3. Income from donations and legacies

	Unrestricted funds £	Restricted funds £	2025 Total funds £	Unrestricted funds £	Restricted funds £	2024 Total funds £
Donations	5,627	28,784	34,411	5,457	33,445	38,902
Legacies	<u>31,259</u>	<u>2,160</u>	<u>33,419</u>	<u>17,041</u>	<u>281,337</u>	<u>298,378</u>
	<u>36,886</u>	<u>30,944</u>	<u>67,830</u>	<u>22,498</u>	<u>314,782</u>	<u>337,280</u>

4. Other trading activities

	Unrestricted funds £	Restricted funds £	2025 Total funds £	Unrestricted funds £	Restricted funds £	2024 Total funds £
Locomotive support club	-	8,328	8,328	-	8,240	8,240
Model railway exhibition	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,661</u>	<u>-</u>	<u>2,661</u>
	<u>-</u>	<u>8,328</u>	<u>8,328</u>	<u>2,661</u>	<u>8,240</u>	<u>10,901</u>

5. Investments & interest receivable

	Unrestricted funds £	Restricted funds £	2025 Total funds £	Unrestricted funds £	Restricted funds £	2024 Total funds £
UK quoted investments	-	15,064	15,064	-	14,539	14,539
UK unquoted investments	1,800	8,000	9,800	1,654	8,000	9,654
Bank interest	<u>18,498</u>	<u>6,376</u>	<u>24,874</u>	<u>16,500</u>	<u>5,494</u>	<u>21,994</u>
	<u>20,298</u>	<u>29,440</u>	<u>49,738</u>	<u>18,154</u>	<u>28,033</u>	<u>46,187</u>

6. Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	2025 Total funds £	Unrestricted funds £	Restricted funds £	2024 Total funds £
Expenditure						
Locomotive support clubs	-	2,603	2,603	-	2,688	2,688
Model railway exhibition	-	-	-	1,382	-	1,382
Marketing & fundraising	774	1,024	1,798	1,809	788	2,597
Investment management charges	-	5,460	5,460	-	5,064	5,064
Support costs (note 11)	<u>61</u>	<u>-</u>	<u>61</u>	<u>414</u>	<u>-</u>	<u>414</u>
	<u>835</u>	<u>9,087</u>	<u>9,922</u>	<u>3,605</u>	<u>8,540</u>	<u>12,145</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued

7. Conservation activities

	Unrestricted funds £	Restricted funds £	2025 Total funds £	Unrestricted funds £	Restricted funds £	2024 Total funds £
Income						
Locomotive & rolling stock hire fees	42,780	2,000	44,780	73,010	2,000	75,010
Grants received	-	5,000	5,000	-	-	-
Premises licence fee	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
	<u>43,780</u>	<u>7,000</u>	<u>50,780</u>	<u>74,010</u>	<u>2,000</u>	<u>76,010</u>
Expenditure						
Maintenance & operation	275,272	2,018	277,290	169,114	2,061	171,175
Restoration costs	-	55,448	55,448	-	82,876	82,876
Insurance	11,660	-	11,660	10,640	-	10,640
Equipment & storage	1,100	102	1,202	1,100	132	1,232
Grants awarded (note 28)	88,850	-	88,850	13,001	-	13,001
Depreciation	31,585	7,868	39,453	35,006	7,868	42,874
Support costs (note 11)	<u>32,040</u>	<u>-</u>	<u>32,040</u>	<u>29,721</u>	<u>-</u>	<u>29,721</u>
	<u>440,507</u>	<u>65,436</u>	<u>505,943</u>	<u>258,582</u>	<u>92,937</u>	<u>351,519</u>
Net expenditure	<u>(396,727)</u>	<u>(58,436)</u>	<u>(455,163)</u>	<u>(184,572)</u>	<u>(90,937)</u>	<u>(275,509)</u>

8. Education activities

	Unrestricted funds £	Restricted funds £	2025 Total funds £	Unrestricted funds £	Restricted funds £	2024 Total funds £
Income						
Museum entry fees	<u>2,142</u>	<u>-</u>	<u>2,142</u>	<u>2,115</u>	<u>-</u>	<u>2,115</u>
	<u>2,142</u>	<u>-</u>	<u>2,142</u>	<u>2,115</u>	<u>-</u>	<u>2,115</u>
Expenditure						
Equipment & storage	2,000	16	2,016	2,000	2,194	4,194
Subscriptions & donations	-	251	251	-	228	228
Depreciation	2,618	880	3,498	2,618	881	3,499
Support costs (note 11)	<u>362</u>	<u>-</u>	<u>362</u>	<u>600</u>	<u>-</u>	<u>600</u>
	<u>4,980</u>	<u>1,147</u>	<u>6,127</u>	<u>5,218</u>	<u>3,303</u>	<u>8,521</u>
Net expenditure	<u>(2,838)</u>	<u>(1,147)</u>	<u>(3,985)</u>	<u>(3,103)</u>	<u>(3,303)</u>	<u>(6,406)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued

9. Membership

	Unrestricted funds	Restricted funds	2025 Total funds	Unrestricted funds	Restrictede funds	2024 Total funds
	£	£	£	£	£	£
Income						
Membership fees	<u>66,733</u>	-	<u>66,733</u>	<u>55,056</u>	-	<u>55,056</u>
	<u>66,733</u>	-	<u>66,733</u>	<u>55,056</u>	-	<u>55,056</u>
Expenditure						
Joint Line publishing	25,174	-	25,174	23,444	-	23,444
Administration	24,363	-	24,363	30,778	-	30,778
Support costs (note 11)	<u>3,885</u>	-	<u>3,885</u>	<u>7,041</u>	-	<u>7,041</u>
	<u>53,422</u>	-	<u>53,422</u>	<u>61,263</u>	-	<u>61,263</u>
Net income / (expenditure)	<u>13,311</u>	-	<u>13,311</u>	<u>(6,207)</u>	-	<u>(6,207)</u>

10. Primary purpose trading

	Unrestricted funds	Restricted funds	2025 Total funds	Unrestricted funds	Restrictede funds	2024 Total funds
	£	£	£	£	£	£
Income						
Shop & publishing sales	<u>12,879</u>	<u>46,106</u>	<u>58,985</u>	<u>15,086</u>	<u>38,366</u>	<u>53,452</u>
	<u>12,879</u>	<u>46,106</u>	<u>58,985</u>	<u>15,086</u>	<u>38,366</u>	<u>53,452</u>
Expenditure						
Cost of goods sold	6,555	3,160	9,715	12,661	1,879	14,540
Depreciation	281	-	281	281	-	281
Support costs (note 11)	<u>536</u>	-	<u>536</u>	<u>1,681</u>	-	<u>1,681</u>
	<u>7,372</u>	<u>3,160</u>	<u>10,532</u>	<u>14,623</u>	<u>1,879</u>	<u>16,502</u>
Net income	<u>5,507</u>	<u>42,946</u>	<u>48,453</u>	<u>463</u>	<u>36,487</u>	<u>36,950</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued

11. Support costs

	2025	2024
	Total expenditure	Total expenditure
	£	£
Expenditure		
Office rent & charges	9,210	9,250
Bank & credit card charges	2,286	2,209
Subscriptions & donations	597	533
Sundry small equipment	174	-
Governance	24,216	24,081
Miscellaneous expenditure	<u>401</u>	<u>3,384</u>
	<u>36,884</u>	<u>39,457</u>
Allocated to:		
Expenditure on raising funds (note 6)	61	414
Conservation activities (note 7)	32,040	29,721
Education activities (note 8)	362	600
Membership (note 9)	3,885	7,041
Primary purpose trading (note 10)	<u>536</u>	<u>1,681</u>
	<u>36,884</u>	<u>39,457</u>

Expenditure on support costs is allocated to an activity area in the same ratio as the direct costs associated with the relevant area of activity.

12. Net income before transfers

This is stated after charging:

	2025	2024
	£	£
Depreciation	43,233	46,654
External Audit Fee	19,000	18,500
Expenses reimbursed to Board Members	1,546	1,829
Operating lease rentals	8,350	9,100

13. Staff costs, trustee remuneration and expenses

The Society has no employees. Apart from K R Ashford who is full-time Chief Mechanical Engineer of the NNR, none of the trustees have been paid any remuneration or received any other benefits from employment by the Society or a related entity.

Expenses reimbursed to board members relate to supplies of materials, spare parts and fuel used in the restoration and operation of heritage assets, shop merchandise and other supplies and sundry administration. In all cases the suppliers are those with which the Society does not have credit accounts. The total amount of reimbursed expenses was £1,546 to 3 trustees (2024 - £1,829 to 6 trustees and 1 related party).

Trustees and members of their families make unconditional donations to the Society, either by way of regular monthly payments or occasional lump sums to support projects and public appeals. The aggregate total of such specifically identified donations from trustees and related parties in 2024-25 was £250 (2023-24 £285). There may have been additional unidentified donations placed in collecting boxes located at the Society's shop and museum.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued

14. Tangible Fixed Assets

	Collection Assets	Locomotive Boilers	Heritage Assets Total	Leasehold Buildings	Fixtures, Fittings & Equipment	Tangible Assets Total	Total
	£	£	£	£	£	£	£
Cost at start of year	706,118	388,688	1,094,806	520,403	49,582	569,985	1,664,791
Additions in year	-	5,784	5,784	-	-	-	5,784
Cost at end of year	706,118	394,472	1,100,590	520,403	49,582	569,985	1,670,575
Depreciation at start of year	300,000	235,939	535,939	168,171	40,900	209,071	745,010
Charge for year	-	30,869	30,869	10,924	1,441	12,365	43,233
Depreciation at end of year	300,000	266,808	566,808	179,095	42,341	221,436	788,244
Net book value at end of year	406,118	127,664	533,782	341,308	7,241	348,549	882,331
Net book value at start of year	406,118	152,749	558,867	352,232	8,682	360,914	919,781

Collection assets (and their cost/net book value) comprise historical locomotives (£504,555/£204,555), a diesel multiple unit (£100,000/£100,000), carriages and wagons (£85,732/£85,732), a road vehicle (£9,739/£9,739) and artefacts and collections (£6,092/£6,092) held for preservation and educational purposes. Locomotives and some carriages and wagons are included at cost of acquisition; no value is included for donated items as this is usually not available. The ages range from about 50 to 130 years. Locomotives and some other rolling stock are operational subject to completion of restoration or overhaul; the remainder is for static or museum display. Locomotive boilers are components related to the historical locomotives.

Summary Analysis of Heritage Asset Transactions

	2025	2024	2023	2022	2021
	£	£	£	£	£
Purchases & capitalisation:					
Locomotives	-	45,000	-	-	60,000
Diesel multiple unit	-	-	-	-	100,000
Carriages and wagons	-	20,000	14,000	-	-
Other collection items	-	-	-	-	250
Locomotive Boilers	5,784	19,318	1,919	24,083	5,766
Charge for depreciation:					
Locomotive boilers	30,869	34,178	32,647	31,078	52,544

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued

15. Investments

	2025		2024
	£	£	£
Shares in North Norfolk Railway PLC			
Total Shares in Associate at cost		264,643	<u>264,463</u>
North Norfolk Railway PLC Bond Issue 4	31,800		30,000
Midland & Great Northern Heritage Limited	1,000		1,000
SME Loan Note (2024 Zenzic Loan Note)	<u>100,000</u>		<u>100,000</u>
Total Unquoted Investments at cost		132,800	<u>131,000</u>
Cazenove Charity NURS Fund	3,952		302,187
Prudential Assurance and LGT Vestra Fund	<u>560,812</u>		<u>519,385</u>
Total quoted investments at fair value		<u>564,764</u>	<u>821,572</u>
Total investments at cost or fair value		<u>962,207</u>	<u>1,217,035</u>
Movement in quoted fixed asset investments:		2025	2024
		£	£
Opening Fair Value		817,771	809,059
Additions at cost		63,270	75,260
Disposal proceeds		(411,228)	(77,785)
Realised gains / (losses)		49,248	(2,249)
Disposals at opening fair value		(361,980)	(80,034)
Net unrealised investment gains		<u>38,629</u>	<u>13,486</u>
Fair value at end of the year		557,690	817,771
Cash held by investment managers for re-investment		7,074	3,801
Total quoted investments at fair value		<u>564,764</u>	<u>821,572</u>

Purchases of Ordinary Shares of £1 each in North Norfolk Railway PLC (NNR), an unlisted public company, have been at par. In addition, the Society has added to its shareholding by accepting gifts and bequests of shares from members and others and these are also included at par. At 31 January 2024 the total number of shares purchased was 214,090 and the total shareholding was 264,463. During the year no shares were purchased, and 180 shares were gifted to the Society, so at 31 January 2025 the total number of shares purchased was 214,090 and the total shareholding including gifted shares was 264,643. The Society is the largest single shareholder owning approximately 29.9% (2024 30.1%) of the issued share capital.

The Society's approximately 29.9% (2024 30.1%) proportions of the share capital and profits of the NNR are:

	2025		2024	
	£	%	£	%
Share Capital	264,643	29.9	264,463	30.1
Profit and loss account	(37,719)	29.9	(100,946)	30.1
Net profit / (loss) for the year	62,126	29.9	(7,794)	30.1

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued

15. Investments - continued

The not-for-profit constitution of the NNR precludes payment of any dividend or distribution on the Society's investment. However, the benefits that derive from the investment are considerable and are noted throughout the Report of the Board of Trustees. These include access to covered accommodation and engineering facilities for restoration and storage, a secure and appropriate base for the Society's assets and a venue to exhibit them to the public either operationally or static in accordance with the charitable objectives. While it is difficult to quantify a monetary value for the benefits, the Board is of the opinion that the value of the investment at cost in these accounts is not in excess of the potential value of the future ongoing benefits so derived. The Board therefore considers that a write down of the investment to its value of £226,923 in the NNR accounts is not appropriate.

The NNR fourth series Bond investment of £30,000 matured in April 2023, with the accrued interest of £4,729 being paid out. The £30,000 capital was rolled over into a fifth Bond issue for a one-year term of 6% interest to be paid on maturity in April 2024. At the March 2024 meeting of Trustees, it was agreed that the £30,000 capital and £1,800 interest due should be rolled over into a new one-year Bond of capital £31,800 maturing in April 2025, at an interest rate of 6%. At the March 2025 meeting of Trustees, it was agreed that the matured amount of £33,708 would be reinvested for a further three-year period.

The Society holds 1,000 ordinary £1 shares, being 100% of the issued and authorised share capital of Midland & Great Northern Heritage Limited (Company number 04009464). The company was set up to undertake non-charitable trading activities but is not currently trading.

The £100,000 Zenzic Loan note, an unquoted three-year fixed term property and property development bond guaranteeing a return of 8% per annum, interest paid quarterly, over the fixed term, matured in June 2024. It was reinvested for a further year guaranteeing a return of 10% per annum in a similar product with SME, interest paid quarterly, over the fixed term, maturing in June 2025.

Quoted investments consist of an initial £800,000 invested in three managed mixed funds. In January 2025, the trustees authorised the liquidation of their initial £300,000 Cazenove Charity NURS Fund raising £343,956, to make cash available for the ongoing locomotive overhauls. The value of £3,592 at 31st January 2025 represents residual cash from the sale, distributed in March 2025. The remaining initial £500,000 Prudential Assurance and LGT Vestra Fund portfolio is stated at market value.

Listed investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value). The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the Charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so their ability to buy and sell quoted equities and stock is anticipated to continue. The Charity investments are mainly traded in markets with good liquidity and high trading volumes. The Charity has no material investment holdings in markets subject to exchange controls or trading restrictions. The Charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Charity does not make use of derivatives and similar complex financial instruments. Investments are held for their longer-term yield and total return. Historic studies of quoted financial instruments have shown that short term volatility in any particular period will normally be corrected in the long-term.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued

16. Related Parties

The trustees are the legal directors of the charity and its subsidiary, and they do consider themselves part of the day-to-day management and are therefore key management personnel. However, none of the trustees received any remuneration or benefits during the year.

As outlined in note 15, Midland and Great Northern Joint Railway Society is the largest shareholder of the NNR. The following trustees holding office at the year-end are also directors of the NNR:

M R Blee
G Wigglesworth
A E Dewey

During the year sales to NNR were £49,221 (2024 £71,004) excluding VAT and purchases from them £85,246 (2024 £72,756) excluding VAT, including assets of £nil (2024 £nil) but excluding shares. At the year end, NNR owed the Society £8,020 (2024 £40,462) and the Society owed NNR £1,988 (2024 £24,434), including VAT. Two grants were awarded to the NNR during the year amounting to £88,850 (2024 one grant of £13,001) as detailed in note 28.

There are leases in place between the NNR and the Society in respect of the land on which the Society's Carriage Sheds were built (to 30th September 2105) and the Museum Building (to 10th April 2058), with provision for peppercorn rents payable annually by the Society to the NNR, of £100 for the Carriage Sheds' land and £1 (not currently collected) for the Museum Building, as disclosed in note 30. The lease for the Carriage Sheds land has no provision for an increase in rent, and a break clause every 10 years from October 2006.

With the acquisition of the second class 08 shunter and a Class 11 shunter, a ten-year agreement was signed with the NNR with effect from September 2023, whereby the Society shall use all reasonable endeavours to ensure that at least two of the shunters are available in full working order for use by the NNR providing an annual income of £9,600. A further open-ended contract, with a one month's notice clause, was signed with the NNR in September 2023 whereby the NNR would pay the Society £150 per day, when the NNR made use of the Society's Grove Allen H404 mobile crane for use other than on Society business.

17. Debtors

	2025	2024
	£	£
Trade debtors	-	56
Amounts owed by group and associated undertakings	6,710	36,741
Prepayments and accrued income	18,453	14,643
Taxation and social security	5,874	9,810
Other debtors	<u>10,032</u>	<u>11,396</u>
	<u>41,069</u>	<u>72,646</u>

18. Creditors: Amounts falling due within one year

	Note	2025	2024
		£	£
Trade creditors		21,089	14,298
Amounts owed to group and associated undertakings		2,459	24,157
Accruals and deferred income		18,410	34,346
Grants payable	28	39,906	27,376
Other creditors		<u>550</u>	<u>-</u>
		<u>82,414</u>	<u>100,177</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued

19. Creditors: Amounts falling after more than one year

	Note	2025 £	2024 £
Grants payable	28	<u>85,918</u>	<u>19,125</u> <i>As restated</i>

20. Statement of Funds

Statement of Funds – Current year	Balance at beginning of year	Income	Expenditure	Investment Gains	Transfers Note 22	Balance at end of year
	£	£	£	£	£	£
General Fund	247,418	112,259	(114,299)	-	(180)	245,198
Designated Funds Note 21	562,830	70,459	(392,817)	-	223,148	463,620
Total Unrestricted Funds	810,248	182,718	(507,116)	-	222,968	708,818
Total Restricted Funds Note 22	1,806,889	121,818	(78,830)	87,876	(223,148)	1,714,605
Total Endowment Funds Note 23	670,580	-	-	-	180	670,760
	<u>3,287,717</u>	<u>304,536</u>	<u>(585,946)</u>	<u>87,876</u>	<u>-</u>	<u>3,094,183</u>
Statement of Funds – Prior year	Balance at beginning of year	Income	Expenditure	Investment Gains	Transfers	Balance at end of year
	£	£	£	£	£	£
General Fund	269,452	117,271	(138,606)	-	(700)	247,418
Designated Funds – Note 21	595,338	72,309	(204,685)	-	99,868	562,830
Total Unrestricted Funds	864,790	189,580	(343,291)	-	99,168	810,248
Total Restricted Funds Note 22	1,675,759	391,421	(106,659)	11,237	(164,869)	1,806,889
Total Endowment Funds Note 23	604,880	-	-	-	65,700	670,580
	<u>3,145,429</u>	<u>581,001</u>	<u>(449,950)</u>	<u>11,237</u>	<u>-</u>	<u>3,287,717</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued

21. Designated Funds

Current year	Balance at beginning of year £	Income £	Expenditure £	Transfers Note 23 £	Balance at end of year £
'Loco Pot'	481,326	41,430	(390,817)	224,652	356,591
Operation Phoenix	65,000	-	(2,000)	-	63,000
Special Projects	16,504	29,029	-	(1,504)	44,029
	<u>562,830</u>	<u>70,459</u>	<u>(392,817)</u>	<u>223,148</u>	<u>463,620</u>
Prior year	Balance at beginning of year £	Income £	Expenditure £	Transfers £	Balance at end of year £
'Loco Pot'	449,847	72,110	(202,685)	162,054	481,326
Operation Phoenix	67,000	-	(2,000)	-	65,000
Special Projects	78,491	199	-	(62,186)	16,504
	<u>595,338</u>	<u>72,309</u>	<u>(204,685)</u>	<u>99,868</u>	<u>562,830</u>

The Trustees established a steam locomotive fund ('Loco Pot') which receives the steaming fees of the B12/3, J15/Y14 and WD when operational. The fund was subsequently expanded to include *Ring Haw*, *Wissington*, the Class 08s and Class 11, the Class 31 and the Class 101 DMU. The above figures therefore include usage fees and repairs to the Society's entire motive power fleet. This fund helps defray the costs of repairs and major overhauls of the locomotives with back-up funding from other steam locomotive funds and support clubs as required. Although the Society has a Steam Loco Legacy restricted fund for locomotive overhauls, the Trustees aim to allocate any unexpected unrestricted sources of income to fund locomotive overhauls, to preserve the restricted fund into the future, when such sources of income may not be available. With the restricted Steam Loco Legacy fund available solely for this purpose, the Society is well funded for repairs and major overhauls of its locomotives.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued

22. Restricted Funds

Current year	Balance at beginning of year	Income	Expenditure	Investment Gains	Transfers Note 23	Balance at end of year
	£	£	£	£	£	£
Loco Club (all locos)	66,677	12,974	(67)	-	(18,514)	61,070
J15/Y14	387	4,311	(1,255)	-	-	3,443
B12/3	1,315	4,007	(1,348)	-	-	3,974
B12/3 Overhaul Appeal	1,781	4,126	-	-	-	5,907
WD	1,005	795	-	-	-	1,800
Wissington	3,060	511	-	-	-	3,571
Ring Haw	1,481	125	-	-	-	1,606
Steam Loco Legacy	1,127,435	29,035	(5,460)	87,876	(147,581)	1,091,305
31 Fund (Class 31)	1,254	299	-	-	-	1,553
Diesel Club	8,605	1,390	(41)	-	-	9,954
Heritage Coach Fund	94,897	48,800	(59,247)	-	1,505	85,955
Museum	46,700	5,038	(1,773)	-	-	49,965
Museum Improvements	18,270	-	(881)	-	-	17,389
Holt Development	5,516	150	-	-	-	5,666
Carriage Sheds	267,474	-	(7,868)	-	-	259,606
Railway Cottage	2,059	3,097	(890)	-	-	4,266
Society Grants	2,575	5,000	-	-	-	7,575
Loco & RS Legacy Fund	<u>156,398</u>	<u>2,160</u>	<u>-</u>	<u>-</u>	<u>(58,558)</u>	<u>100,000</u>
	<u>1,806,889</u>	<u>121,818</u>	<u>(78,830)</u>	<u>87,876</u>	<u>(223,148)</u>	<u>1,714,605</u>

Prior year	Balance at beginning of year	Income	Expenditure	Investment Gains	Transfers	Balance at end of year
	£	£	£	£	£	£
Loco Club (all locos)	67,591	12,716	-	-	(13,630)	66,677
J15/Y14	12,156	4,145	(1,294)	-	(14,620)	387
B12/3	4,618	3,906	(1,349)	-	(5,860)	1,315
B12/3 Overhaul Appeal	58,179	6,297	(706)	-	(61,989)	1,781
WD	1,675	1,070	-	-	(1,740)	1,005
Wissington	3,894	510	-	-	(1,344)	3,060
Ring Haw	510	3,899	(46)	-	(2,882)	1,481
Steam Loco Legacy	1,093,347	27,914	(5,063)	11,237	-	1,127,435
31 Fund (Class 31)	910	394	-	-	(50)	1,254
Diesel Club	7,090	1,515	-	-	-	8,605
Heritage Coach Fund	75,339	40,583	(85,802)	-	64,777	94,897
Quad Art Set	2,592	-	-	-	(2,592)	-
Museum	43,330	4,900	(1,530)	-	-	46,700
Museum Improvements	19,150	-	(880)	-	-	18,270
Holt Development	5,294	222	-	-	-	5,516
Carriage Sheds	275,342	-	(7,868)	-	-	267,474
Railway Cottage	2,167	2,013	(2,121)	-	-	2,059
Society Grants	2,575	-	-	-	-	2,575
Loco & RS Legacy Fund	<u>-</u>	<u>281,337</u>	<u>-</u>	<u>-</u>	<u>(124,939)</u>	<u>156,398</u>
	<u>1,675,759</u>	<u>391,421</u>	<u>(106,659)</u>	<u>11,237</u>	<u>(164,869)</u>	<u>1,806,889</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued

22. Restricted Funds - continued

The income of the funds relates to donations, other contributions, shop retail and donated sales, investment income, bank interest, and designated by the trustees, Heritage Coach Fund rolling stock hire of £2,000.

No new funds were created during the year.

At 31 January 2025 the Loco Club fund balance of £61,070 is attributable as follows: General (all locos) £13,639 J15/Y14 £5,989, B12/3 £6,798, W1500 £26,713, WD £3,547, *Wissington* £2,641, *Ring Haw* £387 and Class 31 £1,356.

Two transfers amounting to £18,514 were transferred from the Loco Club to the 'Loco Pot'. A transfer of £4,960 to cover running repairs for *Wissington* came from the General (all locos) balance, whilst a transfer of £13,954 to cover the cost of the stripping down of the B12/3's boiler came from the W1500 balance.

23. Endowment Fund and transfers between funds

Endowment Fund – This is not a cash fund. All heritage assets are represented in Endowment Fund, demonstrating the strategic permanency of the Society's ownership as they are unlikely to be sold or otherwise disposed of except in exceptional circumstances. Similarly, the investment in NNR shares is represented in Endowment due to the permanent nature and purpose of these in the pursuit of the charitable objectives as explained in note 15 and throughout the Report of the Board of Trustees. The transfer to Endowment Fund of £180 represents the gift of 180 NNR Ordinary Shares of £1 to the Society as detailed in Note 15.

Transfers between Funds

A transfer of £1,504 was made from the Special Projects Fund to the Heritage Coach Fund to fund the restoration of the Gresley Brake Third Open (BTO) coach number E43556, being the balance of a legacy received which had been designated to this fund. Work continues on this restoration at an outside contractor, with a completion date due in early 2026.

Overhaul costs for the frames of the B12/3 and its tender amounted to £189,809, whilst the cost of casting the first cylinder block for *Ring Haw* cost £16,330. This total cost of £206,139 was funded by transfers of £147,581 from the Steam Loco Legacy Fund and £58,558 from the Loco and Rolling Stock Legacy Fund.

The balance of £100,000 remaining on the Loco and Rolling Stock Legacy Fund, has been allocated by the trustees towards the restoration of the Gresley Tourist Third Open (TTO) Coach number E52256 built in York in 1935. Work will commence at an outside contractor once the Gresley BTO is returned to Weybourne for final fitting out.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued

24. Analysis of net assets between funds

Current year	Designated Funds	General Fund	Restricted Funds	Endowment Fund	Total Funds
	£	£	£	£	£
Tangible fixed assets	190,664	8,556	276,994	406,117	882,331
Investments	-	32,800	664,764	264,643	962,207
Net Current Assets	323,623	239,093	772,847	-	1,335,563
Creditors due in more than one year	(50,667)	(35,251)	-	-	(85,918)
	<u>463,620</u>	<u>245,198</u>	<u>1,714,605</u>	<u>670,760</u>	<u>3,094,183</u>
Prior year As restated	Designated Funds	General Fund	Restricted Funds	Endowment Fund	Total Funds
	£	£	£	£	£
Tangible fixed assets	217,749	10,173	285,742	406,117	919,781
Investments	-	31,000	921,572	264,463	1,217,035
Net Current Assets	345,081	225,370	599,575	-	1,170,026
Creditors due in more than one year	-	(19,125)	-	-	(19,125)
	<u>562,830</u>	<u>247,418</u>	<u>1,806,889</u>	<u>670,580</u>	<u>3,287,717</u>

25. Reconciliation of net income to net cash flow from operating activities

	2025	2024
	£	£
Net (expenditure) / income for the year (as per the statement of financial activities)	(193,534)	142,288
Depreciation charges	43,233	46,654
Donation of Shares	(180)	(700)
Gains on investments	(87,876)	(11,237)
Dividends, interest and investments - cash received	(47,938)	(46,187)
Dividends, interest and investments - capitalised	(1,800)	-
Decrease / (increase) in stocks	5,446	(22,357)
Decrease / (increase) in debtors	31,577	(39,058)
Increase in creditors	49,030	71,923
	<u>(202,042)</u>	<u>141,326</u>

26. Analysis of cash and cash equivalents

	2025	2024
	£	£
Cash at bank and in hand	1,264,044	1,079,247
Cash held by investment managers for re-investment (note 15)	7,074	3,801
	<u>1,271,118</u>	<u>1,083,048</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued

27. Analysis of changes in net debt

	At 1 February 2024 £	Cash Flows In Year £	At 31 January 2025 £
Cash and cash equivalents	1,083,048	188,070	1,271,118
	<u>1,083,048</u>	<u>188,070</u>	<u>1,271,118</u>

28. Grants payable

	At 1 February 2024 £	Awarded In Year £	Paid in Year £	At 31 January 2025 £
Grants payable	46,501	88,850	(9,527)	125,824
	<u>46,501</u>	<u>88,850</u>	<u>(9,527)</u>	<u>125,824</u>

During the year, two grants were awarded to the NNR, £3,850 for the refurbishment of the Holt Down Section signal and £85,000 for the employment of an apprentice for the three-year period from September 2024 to August 2027. The grant payment of £9,527 was the cost incurred for the first two years of the NNR apprentice for the period September 2022 to August 2024, awarded in the financial year ended 31st January 2023.

29. Contracts and commitments

Contracted

A contract for the dismantling and overhaul of 0-6-0 ST No. 1982 *Ring Haw* was entered into with the NNR in January 2022 in the sum of £186,007. Subsequently in 2022 a decision was made to outsource the chassis overhaul. In December 2022 a contract for this was entered into with The Flour Mill Ltd in the sum of £133,380. Whilst work has commenced, no invoices have been received to date. A contract was entered into with Premier Patterns & Castings Limited in May 2024 for the casting of a new cylinder block in the sum of £31,360. The first block was successfully cast and £15,680 was duly paid in July 2024. The second casting was undertaken in February 2025, but was found to be faulty, so no payment was made. In March 2025, the second casting was successfully completed and the outstanding amount of £15,680 was paid later that month. The boiler overhaul work remains with the NNR. The value of that within the January 2022 contract plus costs of additional work since found necessary is £143,706. At 31 January 2025 works to the value of £22,542 had been completed.

In January 2023 a contract for the overhaul of B12/3 8572's chassis and tender was entered into with Riley & Son (Electromec) Limited in the sum of £299,615. Work commenced in April 2023 and by 31st January 2025 variations to the scope of works added £130,831 to the contact sum to make £430,446. At 31 January 2025 the value of completed works was £295,420. In December 2024 work on the B12/3's tender was completed, and the tender was returned to Weybourne for storage, having received undercoat and the first topcoat of Apple Green paint. The overhaul of the boiler is being carried out by the NNR under a September 2023 contract in the sum of £188,171 and by 31st January 2025 variations to the scope of works added £36,125 to the contact sum to make £224,296. Works to the value of £18,408 had been completed at 31 January 2025.

Contingent Commitments

The Board are not aware of any commitments, other than those noted above, that required disclosure in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025 continued

30. Commitments under operating leases

At 31 January 2025 there were annual commitments under non-cancellable operating leases for land and buildings as follows:

	2025	2024
	£	£
Operating leases which expire:		
Within one year	-	8,250
In more than five years	<u>101</u>	<u>101</u>
	<u>101</u>	<u>8,351</u>

Details of the leases are contained in Note 16 to the financial statements.

31. Post balance sheet events

At an Extraordinary General Meeting of the ordinary shareholders of the North Norfolk Railway plc held on 1st February 2025, resolutions were passed by the requisite majorities to:

- empower and authorise the North Norfolk Railway plc directors to issue 100 £1 Preference Shares, with voting rights, to the Midland and Great Northern Joint Railway Society;
- remove the voting rights currently attached to the ordinary shares; and
- amend the Articles of Association of the North Norfolk Railway plc accordingly.

The adoption of these resolutions was approved at a meeting of North Norfolk Railway plc directors on 12th February 2025 where a resolution was passed for the filing of the appropriate documents at Companies House.

These resolutions give the Society 100% voting control of the North Norfolk Railway plc, with effect from 1st February 2025, the 100 £1 Preference Shares to the Society having been issued.

From 1st March 2025, the Society has entered into a 99-year lease, with five-year break clauses, at an annual rent of £16,200 for offices in St. Peters Street Sheringham, opposite the NNR's station building, which will be occupied by both Society and NNR staff. Also in March 2025, the Society signed a three-year lease with Dell for computer hardware, with a total payment value over the term of £4,188.

Further details of future joint plans of the Society and the NNR are contained in the Report of the Board of Trustees on Pages 2 to 10.

32. Prior Year Adjustment

Due to the increase in value of grants awarded to the NNR in the year, as explained in note 28, the trustees have decided to disclose the liability at 31st January 2025 split between those grants they have judged to become due within one year of the balance sheet date and those that will become payable after more than one year of the balance sheet date. As a result of this change in disclosure, the grants awarded creditors figures for the comparative year ended 31st January 2024 in notes 18 and 19, and within the balance sheet, have been restated accordingly.