

Registered number: 03355411
Charity number: 1063676

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the Society, its Trustees and Advisers	1 - 2
Trustees' Report	3 - 15
Independent Auditors' Report on the Financial Statements	16 - 20
Consolidated Statement of Financial Activities	21
Consolidated Balance Sheet	22 - 23
Society Balance Sheet	24 - 25
Consolidated Statement of Cash Flows	26
Notes to the Financial Statements	27 - 73

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE SOCIETY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 JANUARY 2026

Trustees	Mr M R Blee, Chairman Mr S R Allen (appointed 27 September 2025) Mr K R Ashford Mr D J Ballard Mr A E Dewey Mr N A Scarlett Mr S B Squires (appointed 27 September 2025) Ms S D Roberts (resigned 15 November 2025) Mr G P Wigglesworth (resigned 1 June 2025)
Company registered number	03355411
Charity registered number	1063676
Registered office	Sheringham Station Sheringham Norfolk NR26 8RA
Company secretary	A E Dewey
Independent auditors	PEM Audit Limited Registered auditors 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

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE SOCIETY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2026

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

Stripe Payments Europe Limited
The One Building
1 Lower Grand Canal Street
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

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JANUARY 2026

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited consolidated financial statements of Midland and Great Northern Joint Railway Society (the Charity/Society) for the year ended 31 January 2026. The Trustees confirm that the annual report and consolidated 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).

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.

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, Vice-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.

Relationships with related parties and Group structure

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.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2026

Ordinary shares were historically subscribed for in the North Norfolk Railway plc (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 in February 2014, January 2017, February 2020, February 2023, February 2024 and April 2024 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.

This 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.

At an Extraordinary General Meeting of the ordinary shareholders of the North Norfolk Railway plc held on 1 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 1 February 2025 where a resolution was passed for the filing of the appropriate documents at Companies House.

The 100 £1 Preference Shares were duly issued and paid for by the Society, thereby giving the Society 100% voting control of the North Norfolk Railway plc, with effect from 1 February 2025.

The NNR continues to operate independently of the Charity and remains responsible for the day-to-day running of the railway and all associated trading activities. A voluntary, non-paid Board of Directors oversees operations with delegated authority to a Senior Management Group of employees led by a General Manager.

Integration to date has focussed on day to day co operation including the Society leasing new offices in St. Peters Road, Sheringham, which house both Society and NNR staff; upgrading IT equipment and systems to allow a closer working relationship between staff, closer administration functions to increase efficiency and alignment of communications, marketing and fundraising. Steps to create a long term strategy for the combined organisation commenced in the summer of 2025, with Stephen Squires and Stephen Allen, the NNR Chairman and Vice Chairman, being appointed as Society Trustees in September 2025. The Society website will be integrated into that of the NNR to reduce duplication of information and to allow the NNR to actively promote Society membership.

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.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2026

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 and GNJR) and its antecedent and successor companies, as follows:

- Ownership, restoration and operational display of locomotives appropriate to the Society;
- Ownership, restoration and operational display (where practicable) of historic carriages and wagons; 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;
- Ownership and display of museum collections that inform and educate;
- 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;
- The North Norfolk Railway to be the Society's preferred (but not necessarily exclusive) partner for pursuing the aims in a) to e) above; and
- 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 and GNJR and other aspects of East Anglian railway history by means of this mission statement.

Main Activities

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

- acquisition, restoration, preservation and exhibition of the railway items mentioned above principally utilising the facilities of the NNR which assists in these being achieved;
- scheduled running of locomotives, carriages and rolling stock for public access, mainly on the NNR but occasionally at other locations;
- 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;
- operating the William Marriott Museum (WMM) at Holt for the display of artefacts and documents;
- operating a shop selling, amongst other items, railway publications of an historical and educational nature and increasingly, those produced in-house; and
- 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.

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. 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

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2026

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.

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.

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.

The NNR has a core of paid staff responsible for the day-to-day management of the railway operation, but volunteers continue to be essential to its ongoing success. Over 600 volunteers enjoy a meaningful and engaging hobby as they assist with all railway operations and associated activities. Appropriate training and competence assessment ensures volunteers are competent to carry out their role in a safe manner. Social occasions and other events including an annual forum are designed to recognise the valuable contribution that the input of volunteers provide.

The opportunity afforded by the Fiftieth Anniversary year was used to launch a new scheme to recognise long service amongst volunteers and employees. Additionally, a reunion of many of the volunteers that helped save the line in the 1960s and 1970s was held 50 years to the day after the first public service operated on 13 July 1975. The Company operates an independent Peer Support Group available to all employees and volunteers of the NNR and the Society to offer support at any time, not just on the Railway. It is a confidential service and offers:

- A listening ear for any concerns;
- Physical and emotional well-being support;
- Advice on staying safe and feeling confident on the Railway; and
- Signposting to further help if needed.

The Society Trustees and the NNR Directors would like to place on record their thanks and appreciation of the contribution of the volunteers in ensuring the successful operation of Group activities.

ACHIEVEMENTS AND PERFORMANCE

Summary of the Main Achievements – The Society

Conservation – Locomotive and Diesel Multiple Unit Carriage Overhauls. During the year, work has progressed on the overhaul of the B12/3 and Ring Haw locomotives. The boilers are at NNR's Engineering Works at Weybourne, whilst the Ring Haw chassis and B12/3 chassis are at outside contractors. The overhaul of Ring Haw is expected to be completed in Spring 2027 with the B12/3 being back in service in 2028, its centenary year. The overhaul of the Y14/J15 has yet to commence.

Class 11 shunter 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

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2026

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 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 Restoration. The Joint Heritage Coach Fund volunteers' team continued to make steady progress in the Weybourne 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 for final fitting out, it is planned to send the Gresley Tourist Third Open E52256 to the contractor for restoration for eventual use as part of the regular coaching rake used by the NNR. The Trustees have previously designated £100,000 in the Special Projects Fund from legacies received to cover the initial restoration costs. Society volunteers at Holt, known as 'Team Pete' have completed a refresh of the Vintage Train carriages, as well as completing the overhaul of various platform trolleys at Weybourne and Holt stations and restoring an M&GN bench from Corpusty and Saxthorpe station.

Conservation - Operations. The Railway opened for February 2025 half term and remained so up to the planned closure in early January 2026, with total steam running days of 94 (2025: 62), and total diesel running days of 136 (2025: 87). The increased number of diesel running days in the year was due to a three-week spell in July 2025 when services were operated by diesel power due to the risk of lineside fires. The WD operated on 75 days (2025: 6), following a major repair to its boiler which had seen it out of use for most of the previous financial year. Wissington continues to haul the vintage carriage set which has proven to be very popular, completing 19 days service (2025: 35) in the year. The Y14/J15 was unused in the year (2025: 21), after its withdrawal in April 2024, due to problems with five stays in the firebox. For the diesels, Class 31 achieved 104 turns (2025: 61), including shunting and trip workings, with the installation of the new steam heating system completed during the year. The Class 101 DMU trailer car E79263 (E56062) re-entered traffic in February 2025 with use on 27 days (2025: 0), whilst power car E51228 was used on 5 days (2025: 26), but only as a back-up for other unavailable units, as it is awaiting a major bodywork overhaul. Of our three shunters, D3985 is operating as Weybourne Yard pilot, D3940 as Sheringham Station Pilot.

Education – The William Marriott Museum was open for a full season from February – October 2025, visitor numbers were slightly in excess of 15,000 (2025: 18,342). The Railway Cottage at Holt also opened for a full season in 2025 from Easter to October 2025, visitor numbers were 22,697 (2025 under 14,000). Joint Line continued to maintain its high-quality standards as a journal under the editorship of David Ballard, undergoing a restyling as the 'Journal of the M&GN Society and North Norfolk Railway' to reflect the closer working relationship between the two organisations. The 50th anniversary of the running of public trains on the North Norfolk Railway was marked by the publishing of a book entitled 'The North Norfolk Railway – Then and Now, a Pictorial History' written by David Ballard, telling the history of the railway over the 50 years. The Society funded the production of a 20-page booklet called 'What can you spot?' based on the I-Spy books of the past. It contains items to find and observe at all three stations and whilst travelling on the trains and explains their relevance and importance to the history and operation of the railway. It is given free to children and those who complete 35 of the 40 tasks will receive a medal to mark their achievement. The Society continued to financially support the engineering apprentice at Weybourne as he entered his second year of a three-year term.

Membership – The number of primary memberships decreased to 2,229 at January 2026, compared to 2,435 at January 2025, a decrease of 206 or 5.5%. It is estimated that with joint and family memberships, this represents approximately 3,500 individual memberships. Historically, memberships increase as the new running season approaches, so Trustees are not unduly concerned about this decrease. Nearly 60% of our current membership are over the age of 60, which affects the renewal rate as older members either do not renew or sadly die. The membership rate increase due for August 2025 was delayed and implemented from April 2026, together with the provision of a 'Golden Ticket' that allows each member one day's free travel on the NNR, subject to certain exclusions, giving members more value and flexibility than the free travel previously

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2026

offered at the annual October Members' Weekend, which will not be held in 2026.

Primary Purpose Trading comprising Weybourne bookshop, eBay shop and own publications was £59,491, (2025: £58,985) maintaining the income level from the previous financial year which showed an increase of 13% resulting from the opening of the bookshop extension, 'The Sidings', situated in the bay platform at Weybourne during 2024. For the second year running, the bookshop was opened during the NNR Santa Specials, giving an additional attraction at Weybourne for passengers.

Summary of the Main Achievements – The North Norfolk Railway

Efforts in 2025 were focussed on celebrating the 50th Anniversary of the line re-opening as well as continuing to stabilise the Company's finances, and the team were very successful on both counts. A number of high-profile special events were enjoyed by visitors and volunteers alike. Importantly, a small surplus was again achieved from underlying trading activities – an essential step in ensuring the railway is sustainable in the long-term.

For the 2025 season, the Senior Management Group, led by General Manager Graham Hukins, carefully reviewed opening days and the pattern of service. A handful of Mondays in the shoulder of the season were dropped from the programme to provide better access for maintenance and reduce the burden on the volunteer team. Driver Experience Days (which require far fewer people to operate than a full public opening) were scheduled for some Fridays to maintain revenue whilst easing the staffing requirement.

An unusually hot and extremely dry spring and early summer meant that considerable efforts were devoted to reducing the risks and consequences of lineside fires, but despite immense efforts from teams across the railway, there was a three-week spell in July 2025 where steam was limited to a short shuttle at Sheringham Station and train services had to be operated by diesel traction. Analysis of ticket revenue shows that this reduced sales by around £75,000 and contributed to the 9% reduction in passenger numbers for the year – 129,197 against 143,469 in 2024.

Catering, dining trains and in particular events performed ahead of budget, especially towards the tail-end of the season with Cream Tea trains, Steam Back to the Forties, the Fiftieth Finale (with 70000 'Britannia' and D9000 'Royal Scots Grey'), Norfolk Lights Express, Santa Specials and the Mince Pie Specials all helping recoup lost ground.

Further steps to provide compartments and/or First-Class accommodation on special services paid dividends with many customers opting to trade up. 2024's investment in an improved booking system also bore fruit with booking data used to set price bands for festive services, therefore generating additional revenue. A new Events & Visitor Operations Manager was engaged to further develop these areas. Maintaining quality, buying well and a focus on service helped increase the contribution from gift shops and catering outlets in a difficult economic landscape.

To ensure the line has sufficient motive power to meet its needs, agreements were reached in 2025 for two further locomotives to join the fleet on a medium/long term basis. One of these, Hunslet 'Newstead' steamed for the first time in over 50 years and hauled her first ever passenger train as part of the NNR's Fiftieth Anniversary events. Locomotive 80080 also arrived during the year and has proved very capable of handling services on the line as well as being popular with passengers.

In September 2025, Weybourne and Sheringham Stations both received Grade II Listed Status from Historic England (two of the seven railway structures given the accolade as part of the national activities around the Railway 200 celebrations. Being recognised in this way is a proud moment for the line and a tribute to the volunteers and staff that have cared for the structures since the line closed in 1964. The status affords some additional protection, and it is hoped that the additional profile encourages extra visitors and assists in funding applications.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2026

Safety remained at the heart of all we do and there were no serious safety incidents in the year. Mandatory briefings were delivered to all operating personnel and peer-to-peer inspections were introduced.

Further progress was made on the repayment of bonds and reducing short term borrowing as well as rescheduling the remaining bonds to provide a more even repayment profile over the next five years.

PRINCIPLE RISKS AND UNCERTAINTIES

Risk Management – The Society

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 North Norfolk Railway (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.

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.

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.

Risk Management – The North Norfolk Railway

The price of coal, diesel and oils remained high throughout 2025 and has risen as a result of the conflict in the Middle East, limiting the ability to compete on price with other local tourism businesses in what remains a very competitive sector. Cost of living pressures amongst consumers are a very real threat, but the strategy of providing exceptional quality, value for money opportunities for customers to trade up and maximising secondary spend has continued to deliver.

Cost of living consideration, an increased tendency (or need) to work into retirement, a societal reduction in volunteering and an ageing volunteer workforce all impact on the number of tasks that can be regularly and reliably undertaken by volunteers. A new Volunteer Ambassador was recruited in January 2025 and has reinvigorated the recruitment process and worked with the Senior Management Group to remove hurdles to volunteering with training programmes in some areas refreshed. Encouragingly the number of new recruits grew in 2025, and the trend has continued in early 2026.

Attracting and retaining key paid NNR personnel with the necessary skills continues to be a challenge. Increases

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2026

in National Insurance Contributions, Living and Minimum Wage levels, and regulations imposed by Employment Legislation all contribute to higher costs and make it difficult to employ the number of staff ideally needed to support the volunteers and the railway's operations in delivering services and welcoming visitors.

Most passengers visit to see and ride behind historic steam locomotives and travel in vintage carriages. Maintaining these, along with heritage buildings and 1960s diesel locomotives, will incur a high level of costs for repairs than other businesses for whom simply replacing outdated equipment is a more cost-effective option. The unpredictable nature of some of the faults means relatively large fleets need to be maintained to provide sufficient operational resilience, which obviously comes at a cost.

Recent years have seen the rise of extreme weather periods or events. In particular, long periods of hot, dry weather can result in lineside fires and the need to replace steam traction with diesel. Mitigation measures, in association with local landowners, business and Fire Service are in place to reduce the chances of causing a fire, together with vegetation control in areas of extreme risk to limit combustible material available.

The Company finances its operations through a mixture of retained profits, bank and other borrowings. The Company's exposure to interest rate fluctuations is managed by use of both fixed and variable rate agreements. In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses a mixture of long-term and short-term debt finance. Primarily, this is achieved through bank overdrafts and loans, and the support of its bond holders.

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 regularly by the Board, and the decision to liquidate the Cazenove Investment portfolio in January 2025 and to redeem the Zenzic in November 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 two Trustees to give instructions to investment/fund managers, monitor the investments' performance and report to the Board

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. 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

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2026

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.

TRUSTEES' STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE SOCIETY AND ITS SUBSIDIARY COMPANY

The Trustees, as directors of the Society, as those of all UK Companies, must act in accordance with a set of general duties. These duties are detailed in the Companies Act 2006 and include a duty to promote the success of the Society and its subsidiary company.

The Trustees consider it crucial that the Society and its subsidiary company maintain a reputation for the highest standards of business conduct and are responsible for setting, reviewing and upholding the culture, values, standards, ethics and reputation of the Society and its subsidiary company to ensure obligations to key stakeholders are met. By using the core values of the business, we seek to sustain and develop strong, stable, profitable partnerships with all our customers, volunteers, subsidiary company employees and suppliers by providing outstanding products.

During the year, the Trustees consider that they have at all times acted in a way, and have made decisions that would most likely promote the success of the Society and its subsidiary company and for the benefit of its members as a whole, and in making those decisions have had particular regard to:

- the likely consequences of any decision in the long term;
- the interest of the subsidiary company's employees;
- the need to foster business relationships with suppliers, customers and others;
- the impact of operations on the community and the environment;
- the desirability to maintain a reputation for high standards of business conduct; and
- the need to act fairly between members of the Society

FINANCIAL REVIEW

The results for the year are set out in the attached financial statements. As a result of the acquisition of the preference shares in NNR plc, the Society gained 100% of the voting control of NNR plc on 1 February 2025, the financial statements are a consolidation of the financial results of the Charity and NNR plc, whereas the comparative figures for the previous year only contain the results of the Charity. The income and expenditure of the NNR is deemed, by the Board of Trustees, to be non-charitable and unrestricted and disclosed in the Consolidated Statement of Financial Activities under the heading of 'Trading activities'.

Although the Society has 100% of the voting rights in NNR plc, the respective Articles of Association of the Society and NNR plc mean that the two organisations remain financially independent. The Society, as a Charity, cannot use charitable income to meet the liabilities of a commercial company, so would be unable to financially support the NNR if it encountered financial difficulties. NNR plc is also unable to distribute revenue profits or capital to its shareholders, meaning the Society cannot financially benefit from the activities of the NNR. The bank overdraft and loan of NNR plc is secured solely on the company assets.

Total Group incoming resources amounted to £6,619,068 which, after total Group expenditure of £4,313,902 and investment gains of £50,161 resulted in net income before transfers of £2,355,327. At the end of the period, the Group had net assets of £5,449,510.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2026

Included in total unrestricted income are the following significant figures, relating to the consolidation and so not comparable to the previous year:

- On the acquisition of 100% of the voting rights of NNR plc, restated assets to the value of £1,694,604 were acquired in excess of the value of the Preference Shares purchased and the Ordinary Shares held in NNR plc at the date of acquisition. Due to the nature of the transaction and in accordance with the Charities SORP (FRS 102), the gain has been treated as other income, rather than negative goodwill;
- Included in legacies is £460,000 relating to a legacy originally in favour of NNR plc. After the balance sheet date, a Deed of Variation was entered into between NNR plc directors and the deceased solicitors, to amend the will so that the legacy would be to the benefit of the Charity. In accordance with the Charities SORP (FRS 102), the amount received to date is treated as an adjusting event; and
- Income from the operation of the railway, by NNR plc, is £4,092,446 after elimination of transactions with the Charity

Following a decision by the Directors of the North Norfolk Railway plc, 'The Carriage and Wagon Trust', a charitable trust under their control was dissolved and removed from the Charity Commission register in May 2025. The funds of the Trust amounting to £74,740 were transferred to the Society, recorded in restricted income and were placed in a new restricted fund within the Society's financial records. The funds were originally donated for the upkeep of locomotive 'Black Prince', the rebuilding of station buildings on Platform 2 at Sheringham and for the replacement of signalling equipment in Sheringham West signal box. The Society Trustees have agreed that the funds will only be expended on the projects for which they were originally donated, in accordance with Charity Law.

Total income from charitable activities has decreased from £178,640 to £123,884 due to the elimination on consolidation of £73,600 of usage fees for the Society's locomotives paid to NNR plc during the financial year.

Included in total expenditure is £3,974,870 being the costs incurred by NNR plc on railway operations after elimination of transactions with the Charity.

Total expenditure on charitable activities has decreased from £576,024 to £331,226 due to reduced expenditure on locomotive overhauls.

Interest payable and similar expenses of £73,248 arises from bank overdraft, loan and bank interest payable by NNR plc in the course of its railway operation.

The Steam Locomotive Legacy investments continued to make gains during the current financial year. At the start of the financial year, investments were valued at £664,764. During the year, the final £3,952 was received from the Cazenove investment fund that was liquidated in January 2025, and £100,000 received when the SME Loan Note was redeemed on maturity. The remaining investments held with Prudential Assurance and LGT Vestra Fund are stated at a market value of £607,089 at the year end. Realised and unrealised gains, and interest earned on the portfolio, net of realised losses were £63,672 during the year, before portfolio management charges of £4,764. At the yearend £106,021 was transferred from the fund to cover expenditure on locomotive overhauls during the year.

The M&GNJRS and NNR continues to benefit from a number of generous legacies and it is very humbling that supporters value our activities to the extent of remembering the railway in their wills. Our strategy is to invest income from this source in capital projects and improvements. Firm financial control to ensure that, as far as possible, general activities deliver a small surplus and positive engagement with supporters to encourage giving are both key aspects of the annual business plan but predicting revenue in this area is very difficult.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2026

Reserves Policy and Going Concern

Due to the financial independence of the Society and NNR plc as explained above, the assessment of the level of reserves to be held and the appropriateness of applying the principle of Going Concern to the preparation of the financial statements has been separately considered.

The Society Board of Trustees is aware of the need to maintain sufficient unrestricted free reserves to meet ongoing Society direct and administrative expenditure for a period of at least 12 months from the date of approval of these financial statements. 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. Individual funds all maintained positive balances at 31 January 2026 (2025 all positive) and had done so throughout the financial year. The preparation of a budget and cashflow forecast for the period to 31 October 2027 confirms that this is the situation and that the Trustees consider that the Society remains a going concern.

The NNR Board of Trustees have produced a cashflow forecast for the period to January 2028 to ensure that the company will have sufficient cash reserves to continue operations. After the balance sheet date, the company entered into new financing arrangements with its bank comprising term loan facilities totalling £612,000. The facilities were used to refinance existing borrowings and to provide funding for planned capital expenditure. The loans are repayable over periods of between five and fifteen years and include both fixed and floating rates of interest. As a result of this arrangement, the Company Directors consider that the NNR remains a going concern.

FUTURE PLANS AND POST YEAR-END DEVELOPMENTS

The Society's plans for the current year includes continued progress on locomotive and rolling stock overhauls to the current timetable, whilst continuing its activities to meet its objectives and raise funds to support these objectives.

In June 2026, the Society accepted the donation of an LNER Gresley Tourist Third Open coach which has been de-accessioned from the East Anglian Railway Museum's collection. Once restored, the coach will form part of a five-coach rake of LNER Thompson and Gresley designed coaches, which will operate as the railway's second set of coaches used on a daily basis. The railway will then have five distinct sets of coaches from different time periods to complement the various motive power.

In August 2026, the Society successfully applied for an extension to the 10-year boiler ticket of its WD locomotive number 90775 'The Royal Norfolk Regiment' which was due to expire in September 2026. A 14-month extension was granted until November 2027, which will ensure its use on the NNR during this period, and reduce the railway's reliance on the expensive hiring in of locomotives from external owners

The NNR will operate an extensive timetable until 1 November 2026 including a series of special events to attract both the railway enthusiast and the general public. From 14 November 2026 the railway commences its Norfolk Lights Express trains with a new theme of 'Around the World', with the traditional 'Santa Specials' commencing on 21 November 2026 followed by post-Christmas 'Mince Pie Specials'. The last day of operation for the season will be 3 January 2027.

Between February and April 2026, the NNR undertook a major project to renew the signalling equipment at Sheringham Station, controlled by Sheringham West Signal box to ensure a more robust and reliable railway operation in the area. The new installation was certified for full operation in April 2026. To ensure trains could operate during the work to protect early season revenue and cashflow, a special timetable comprising trains operating with 'top and tail' locomotives was operated mainly by Society motive power to reduce operating costs.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2026

The NNR successfully applied for funding of £50,000 from Airbnb under their 'Best of Britain' scheme to help fund the conversion of a 1950s coach to incorporate an accessible saloon for visitors with limited mobility. Plans will be put in place to fundraise the balance required for this project.

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 Group and Charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, 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 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; 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 Group and Charity 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 Group and Charity 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 2026 were:

S R Allen (appointed 27 September 2025)	S D Roberts (resigned 15 November 2025)
K R Ashford	N A Scarlett
D J Ballard - Vice Chairman from 19 July 2025	S B Squires (appointed 27 September 2025)
M R Blee – Chairman	G Wigglesworth -Vice Chairman (resigned 01 June 2025)
A E Dewey - Treasurer and Company secretary	

Pursuant to Article 37, N A Scarlett, being age 70 or over at the forthcoming Annual General Meeting, is subject to annual re-election, and offers himself for re-election at that meeting.

A E Dewey has indicated his intention to retire as a Trustee at the forthcoming Annual General Meeting.

S R Allen and S B Squires, having been appointed to the Board of Trustees by that board pursuant to article 41 on 27 September 2025, being required by that article, offer themselves for re-election at the forthcoming Annual General Meeting.

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

As at 31 January 2026, M R Blee and D J Ballard represented the Society on the NNR Board.

The Society insures against risks to its assets and the various aspects of its activities by way of joint policies

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2026

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 (2025 £240), being a proportion of the total premium of £2,196 (2025 £2,196).

AUDITORS

Peters, Elworthy & Moore (PEM) were appointed the Society's Auditor or Independent Examiners as appropriate at the 2025 Annual General Meeting until the conclusion of the next AGM, and the Trustees were authorised to fix their remuneration. PEM will be proposed for reappointment at the forthcoming Annual General Meeting in accordance with section 489 of the Companies Act 2006.

Approved by order of the members of the board of Trustees on 26 September 2026 and signed on their behalf by:

Martin R Blee

Mr M R Blee
Chairman

Date: 22 October 2026 | 3:49 PM BST

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

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 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 January 2026 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Society Balance Sheet, the Consolidated 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 Group's and of the parent charitable company's affairs as at 31 January 2026 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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 Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

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

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual 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.

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 which includes the Strategic Report for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have 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 including the Strategic 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:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

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

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 Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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:

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 Group and the parent charitable company through discussions with trustees and other management, and from our commercial knowledge and experience of the sector;
- 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 Group and parent charitable company, including the Companies Act 2006, Charities Act 2011 and taxation legislation, and Office of Rail and Road (ORR) that are key to operations;
- 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 company's ability to operate or to avoid material penalties;
- we obtained an understanding of the legal and regulatory framework applicable to the Charitable Company and of the Charitable Company's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- we made enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

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

- we obtained an understanding of the entity's risk assessment process, including the risk of fraud;
- we assessed the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur;
- we shared our risk assessment with the component auditors and sought confirmation from them as to any instances of non-compliance with laws and regulations that could give rise to a material misstatement of the group financial statements which they identified; and
- laws and regulations identified were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

As a result of the above risk assessment procedures we identified the greatest risk of material misstatement on the financial statements arising from irregularities and fraud to be within the potential for management to override controls together with the risk of fraudulent revenue recognition. We considered the risk of fraudulent revenue recognition to be most prevalent in the completeness and cut-off of revenue. In response to these identified risks, we designed procedures which included, but were not limited to:

- performed analytical procedures to identify any unusual or unexpected relationships;
- performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias;
- we used Audit Data Analytics to review the client data for unusual trends/anomalies;
- performed substantive testing for a sample of transactions from source legacy document to receipts to ensure that all income was appropriately recognised in the correct period and any restrictions appropriately recognised; and
- performed substantive testing for a sample of transactions from grant applications to approval records and subsequent payment to ensure that all liabilities were recognised in the correct period and the correct recipient paid.

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

- we agreed the financial statement disclosures to underlying supporting documentation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence;
- we read the minutes of meetings of those charged with governance; and
- we reviewed any correspondence with HMRC, relevant regulators such as the Charity Commission and the company's legal advisors.

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

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

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

to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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

Michael Hewett (Senior Statutory Auditor)

for and on behalf of

PEM Audit Limited

Statutory auditors

Station Road

Cambridge

CB1 2LA

Date: 23 October 2026 | 2:07 PM BST

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JANUARY 2026**

	Note	Unrestricted funds 2026 £	Restricted funds 2026 £	Endowment funds 2026 £	Total funds 2026 £	Total funds 2025 £
INCOME FROM:						
Donations and legacies	4	570,193	99,487	-	669,680	67,830
Charitable activities	5	79,723	44,161	-	123,884	178,640
Trading activities	6	4,092,446	8,588	-	4,101,034	8,328
Investments	7	15,919	13,947	-	29,866	49,738
Other income	8	1,694,604	-	-	1,694,604	-
TOTAL INCOME		6,452,885	166,183	-	6,619,068	304,536
EXPENDITURE ON:						
Raising funds	9,10	3,975,093	7,583	-	3,982,676	9,922
Charitable activities	11	285,912	45,314	-	331,226	576,024
TOTAL EXPENDITURE		4,261,005	52,897	-	4,313,902	585,946
NET INCOME/(EXPENDITURE) BEFORE NET GAINS ON INVESTMENTS						
		2,191,880	113,286	-	2,305,166	(281,410)
Net gains on investments		-	50,161	-	50,161	87,876
NET INCOME/(EXPENDITURE)						
		2,191,880	163,447	-	2,355,327	(193,534)
Transfers	25	381,604	(116,961)	(264,643)	-	-
NET MOVEMENT IN FUNDS		2,573,484	46,486	(264,643)	2,355,327	(193,534)
RECONCILIATION OF FUNDS:						
Total funds brought forward		708,818	1,714,605	670,760	3,094,183	3,287,717
Net movement in funds		2,573,484	46,486	(264,643)	2,355,327	(193,534)
TOTAL FUNDS CARRIED FORWARD		3,282,302	1,761,091	406,117	5,449,510	3,094,183

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

The notes on pages 27 to 73 form part of these financial statements.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 03355411

CONSOLIDATED BALANCE SHEET
AS AT 31 JANUARY 2026

	Note	2026 £	2025 £
FIXED ASSETS			
Tangible assets	17	2,712,839	348,549
Heritage assets	18	1,627,836	533,782
Investments	19	617,309	962,207
		<u>4,957,984</u>	<u>1,844,538</u>
CURRENT ASSETS			
Stocks	20	226,264	112,864
Debtors	21	707,180	41,069
Cash at bank and in hand		1,408,916	1,264,044
		<u>2,342,360</u>	<u>1,417,977</u>
CURRENT LIABILITIES			
Creditors: due within one year	22	(1,203,753)	(82,414)
		<u>1,138,607</u>	<u>1,335,563</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,096,591</u>	<u>3,180,101</u>
Creditors: due after more than one year	23	(647,081)	(85,918)
TOTAL NET ASSETS		<u><u>5,449,510</u></u>	<u><u>3,094,183</u></u>
CHARITY FUNDS			
Endowment funds	25	406,117	670,760
Restricted funds	25	1,761,091	1,714,605
Unrestricted funds	25	3,282,302	708,818
TOTAL FUNDS		<u><u>5,449,510</u></u>	<u><u>3,094,183</u></u>

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

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 03355411

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 JANUARY 2026

The financial statements were approved and authorised for issue by the Trustees on 26 September 2026 and signed on their behalf by:

	
Mr M R Blee Chairman	Mr A E Dewey Treasurer

Date: 22 October 2026 | 3:49 PM BST

The notes on pages 27 to 73 form part of these financial statements.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 03355411

SOCIETY BALANCE SHEET
AS AT 31 JANUARY 2026

	Note	2026 £	2025 £
FIXED ASSETS			
Tangible assets	17	336,184	348,549
Heritage assets	18	553,609	533,782
Investments	19	642,647	962,207
		<u>1,532,440</u>	<u>1,844,538</u>
CURRENT ASSETS			
Stocks	20	112,582	112,864
Debtors	21	141,932	41,069
Cash at bank and in hand		1,387,306	1,264,044
		<u>1,641,820</u>	<u>1,417,977</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	22	(183,631)	(82,414)
		<u>1,458,189</u>	<u>1,335,563</u>
NET CURRENT ASSETS			1,335,563
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,990,629</u>	<u>3,180,101</u>
Creditors: amounts falling due after more than one year	23	(30,417)	(85,918)
TOTAL NET ASSETS		<u><u>2,960,212</u></u>	<u><u>3,094,183</u></u>
CHARITY FUNDS			
Endowment funds	25	406,967	670,760
Restricted funds	25	1,761,091	1,714,605
Unrestricted funds	25	792,154	708,818
TOTAL FUNDS		<u><u>2,960,212</u></u>	<u><u>3,094,183</u></u>

The Society's net movement in funds for the year was £(133,971) (2025 - £(193,534)).

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

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 03355411

SOCIETY BALANCE SHEET (CONTINUED)
AS AT 31 JANUARY 2026

The financial statements were approved and authorised for issue by the Trustees on 26 September 2026 and signed on their behalf by:

	
Mr M R Blee Chairman	Mr A E Dewey Treasurer

Date: 22 October 2026 | 3:49 PM BST

The notes on pages 27 to 73 form part of these financial statements.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2026

	Note	2026 £	2025 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by/(used in) operating activities	27	141,196	(202,042)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends and interest from investments		29,866	47,938
Purchase of tangible fixed assets		(97,860)	(5,784)
Proceeds from sale of investments		49,285	407,955
Purchase of investments		(44,324)	(63,270)
Purchase of heritage assets		(80,433)	-
Sale of tangible fixed assets		35,000	-
Proceeds from redemption of SME loan note		100,000	-
Movement in investment cash		34,750	-
Acquisition of NNR plc net of cash received		21,425	-
NET CASH PROVIDED BY INVESTING ACTIVITIES		47,709	386,839
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash inflows from new borrowing		91,793	-
Repayments of borrowing		(67,754)	-
Interest expense		(73,248)	-
Cash flow from issue of new ordinary shares		5,176	-
NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES		(44,033)	-
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		144,872	184,797
Cash and cash equivalents at the beginning of the year		1,264,044	1,079,247
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	28	1,408,916	1,264,044

The notes on pages 27 to 73 form part of these financial statements

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026**

1. GENERAL INFORMATION

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.

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

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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.

On 1 February 2025 the ordinary shareholders of North Norfolk Railway plc (NNR) voted to relinquish their voting rights and create a new category of £1 preference shares, with sole voting rights in the company. These preference shares were purchased by the Society at par value, thereby giving them 100% voting control of NNR plc. The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Society and the acquired subsidiary company from 1 February 2025. The Society has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these accounts. The Society has also taken advantage of the exemption allowed under Section 7 of FRS 102 and has not presented its own Statement of Cash Flows in these financial statements.

As a non-charitable organisation, since 1 February 2025 the NNR continues to operate independently of the Society and remains responsible for the day-to-day running of the railway and all associated trading activities. A voluntary, non-paid Board of Directors oversees all railway operations with delegated authority to a Senior Management Group of employees led by a General Manager. The income and expenditure of the NNR is therefore deemed, by the Board of Trustees, to be non-charitable and unrestricted and disclosed in the Consolidated Statement of Financial Activities under the heading of 'Other trading activities'. Adjustments have been made to the NNR's income and expenditure figures to eliminate transactions between the Society and the NNR. All railway operating activities are accounted for in the subsidiary company, making it easier and clearer to see the results of these activities from the subsidiary accounts. Before adjustment for inter group transactions, the NNR recorded a profit for the financial year ended 31 January 2026 of £81,325.

The financial statements are prepared in sterling, being the functional currency of the Group 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 on quoted assets, historical cost surpluses and deficits are as recorded in the Consolidated Statement of Financial Activities.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

2. ACCOUNTING POLICIES (CONTINUED)

consolidate the financial statements of the Society and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

2.2 GOING CONCERN

The financial statements for the Group are prepared on the going concern basis as the Board of Trustees believe that no material uncertainties exist. The Board has assessed by means of budgets, forecasts and other information that the Society and subsidiary company will have adequate reserves and cash twelve months from the date these accounts are approved to continue in operational existence for the foreseeable future. Accordingly, the Board continues to adopt the going concern basis of accounting in preparing these financial statements.

2.3 INCOME

All income is recognised once the Group has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably and is stated exclusive of Value Added Tax.

Membership subscriptions, which are treated as donations, income from support clubs, shop and other sales and museum entry fees are recognised upon receipt.

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 and if 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 Society is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Society that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the Society has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Society, or the Society 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 (with the latter allocated to funds with average balances of at least £10,000 throughout the period) 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 Group; this is normally upon notification of the interest paid or payable by the bank.

Income from NNR's trading activities comprises revenue recognised by the NNR in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts. With the exception of boiler overhaul income, which is recognised by reference to the stage of completion, NNR income is recognised when the goods and services are supplied, with advance deposits received being deferred in liabilities until the date the service is supplied.

2.4 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.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

2. ACCOUNTING POLICIES (CONTINUED)

2.5 EXPENDITURE

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

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Consolidated Statement of Financial Activities on a straight-line basis over the lease term.

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

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

Finance costs are charged to the Consolidated Statement of Financial Activities over the term of the debt, using the effective interest method so that the amount charged is at a constant rate on the carrying amount. All borrowing costs are recognised in the Consolidated Statement of Financial Activities in the year in which they are incurred.

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

2.6 TAXATION

The Society is exempt from corporation tax on its charitable activities, whilst the operations of the subsidiary company are subject to corporation tax. The current tax charge is calculated on the basis of tax rates and laws enacted by, and extant at, the reporting date.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026**

2. ACCOUNTING POLICIES (CONTINUED)

2.7 TANGIBLE FIXED ASSETS (INCLUDING HERITAGE ASSETS) AND DEPRECIATION

Tangible fixed assets are initially recognised at cost, to include all costs to bring the asset into its intended working condition, if purchased, whilst 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. After recognition, tangible fixed assets are measured at cost less accumulated depreciation.

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 and are depreciated over the 10-year life of the boiler's ticket once the locomotive is operational. Depreciation is only charged on these historic artefacts and items where the carrying value is considered to be greater than the residual value.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line or reducing balance method, as appropriate. Assets under construction are not depreciated until the asset is brought into use.

Depreciation is provided on the following bases:

Land and buildings	- 0 - 12.5% straight line/reducing balance
Plant, machinery, fixtures, fittings and equipment	- 0 - 33.33% straight line/reducing balance

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.

Gains and losses on disposal are determined by comparing the sale proceeds with the carrying amount and are recognised in the Consolidated Statement of Financial Activities.

2.8 INVESTMENTS

Listed Investments are stated at market value. Realised and unrealised gains and losses on investments are dealt with in the Consolidated Statement of Financial Activities. Investment income is credited to income on an accruals basis, whilst investment management costs are charged as expenditure out of the relevant income funds. Those investments not listed on a recognised stock exchange and subsidiary undertakings/associates are included at cost or par value less provision for impairment.

2.9 STOCKS

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.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

2. ACCOUNTING POLICIES (CONTINUED)

2.10 DEBTORS

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 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. In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.12 CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the Group 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.

2.13 FINANCIAL INSTRUMENTS

The Group 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.

2.14 OPERATING LEASES

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight-line basis over the lease term.

2.15 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.

2.16 PENSIONS

Whilst the Society has no employees, the subsidiary company operates a defined contribution scheme open to all its employees under auto-enrolment. A defined contribution scheme is a pension scheme under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they fall due. Amounts not paid are included as a liability in the Consolidated Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

2. ACCOUNTING POLICIES (CONTINUED)

2.17 FUND ACCOUNTING

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors, or which have been raised for a specific stated purpose. Expenditure which meets these criteria is charged to the fund. The Society's restricted funds relate to locomotives, rolling stock, museum and educational activities and grants for heritage projects.

Unrestricted funds are donations and other income receivable or generated for the objects of the Society and used in accordance with the charitable objects at the discretion of the Board of Trustees. Governance costs, which are associated with meeting the constitutional and statutory arrangements of the Society, are charged to the general unrestricted fund.

Designated funds are unrestricted funds set aside by the Trustees for specific projects, some of which may already be financed partly by restricted funds. Such designated funds may be undesignated by the Trustees and transferred back to unrestricted funds, at their discretion.

Endowment fund represents investments made by the Society under its Articles of Association, including in heritage assets.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and Judgements Policy

In the application of the above 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 Group 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 as follows:

Useful economic life of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re assessed annually, and are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition.

Carrying amount of heritage assets and other tangible fixed assets

The Group holds significant heritage and other tangible fixed assets, many of which are unique in nature and for which there is no readily available active market. Accordingly, management applies judgement in assessing whether indicators of impairment exist and in determining whether the carrying value of these assets remains appropriate. This assessment considers the condition of the assets, ongoing restoration and maintenance programmes, operational use, insurance valuations where available, and the continued delivery of charitable objectives. Based on the review undertaken at the year end, the Trustees concluded that there were no indicators of impairment and that the carrying value of the Group's heritage and fixed assets remained supportable.

Recognition of legacy income

The recognition of legacy income is a significant accounting estimate requiring judgement in determining both the timing of recognition and the value to be recognised. Legacy income is recognised when entitlement has been established, receipt is considered probable, and the amount can be measured reliably. Many legacies received include property or other non-cash assets, or relate to estates that remain under administration at the year end. In these circumstances, management is required to estimate the value of the legacy based on information available from executors, solicitors and other professional advisers. These estimates are based on the best information available at the reporting date and are reviewed and updated as further information becomes known.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2026 £	Restricted funds 2026 £	Total funds 2026 £
Donations	30,283	99,487	129,770
Legacies	539,910	-	539,910
	<u>570,193</u>	<u>99,487</u>	<u>669,680</u>

Included in legacies is £460,000 relating to a legacy originally in favour of NNR plc. After the balance sheet date, a Deed of Variation was entered into between NNR plc directors and the deceased's solicitors, to amend the will so that the legacy would be to the benefit of the Society. As the Deed was executed post year end, the legacy is not included in the Society's accounts, but in accordance with the Charities SORP (FRS 102), the amount so far received is being treated as an adjusting event within the consolidated group accounts.

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Donations	5,627	28,784	34,411
Legacies	31,259	2,160	33,419
	<u>36,886</u>	<u>30,944</u>	<u>67,830</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2026 £	Restricted funds 2026 £	Total funds 2026 £
Conservation activities	600	-	600
Education activities	165	-	165
Membership	63,627	-	63,627
Primary purpose trading	15,331	44,161	59,492
	<u>79,723</u>	<u>44,161</u>	<u>123,884</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

5. INCOME FROM CHARITABLE ACTIVITIES (CONTINUED)

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Conservation activities	43,780	7,000	50,780
Education activities	2,142	-	2,142
Membership	66,733	-	66,733
Primary purpose trading	12,879	46,106	58,985
	<u>125,534</u>	<u>53,106</u>	<u>178,640</u>

6. INCOME FROM OTHER TRADING ACTIVITIES

Other trading activities

	Restricted funds 2026 £	Total funds 2026 £
Locomotive support clubs	<u>8,588</u>	<u>8,588</u>

	Restricted funds 2025 £	Total funds 2025 £
Locomotive support clubs	<u>8,328</u>	<u>8,328</u>

Income from non charitable trading activities

	Unrestricted funds 2026 £	Total funds 2026 £	Total funds 2025 £
North Norfolk Railway Plc	<u>4,092,446</u>	<u>4,092,446</u>	<u>-</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

7. INVESTMENT INCOME

	Unrestricted funds 2026 £	Restricted funds 2026 £	Total funds 2026 £
UK quoted investments	-	8,357	8,357
Bank interest	15,919	5,590	21,509
	<u>15,919</u>	<u>13,947</u>	<u>29,866</u>

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
UK quoted investments	-	15,064	15,064
UK unquoted investments	1,800	8,000	9,800
Bank interest	18,498	6,376	24,874
	<u>20,298</u>	<u>29,440</u>	<u>49,738</u>

8. OTHER INCOMING RESOURCES

	Unrestricted funds 2026 £	Total funds 2026 £	Total funds 2025 £
Gain on acquisition of North Norfolk Railway plc	<u>1,694,604</u>	<u>1,694,604</u>	<u>-</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

9. EXPENDITURE ON RAISING FUNDS

COSTS OF RAISING FUNDS

	Unrestricted funds 2026 £	Restricted funds 2026 £	Total funds 2026 £
Locomotive support clubs	-	2,819	2,819
Marketing and fundraising	164	-	164
Support costs	59	-	59
	<u>223</u>	<u>2,819</u>	<u>3,042</u>

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Locomotive support clubs	-	2,603	2,603
Marketing and fundraising	774	1,024	1,798
Support costs	61	-	61
	<u>835</u>	<u>3,627</u>	<u>4,462</u>

FUNDRAISING TRADING EXPENSES

	Unrestricted funds 2026 £	Total funds 2026 £	Total funds 2025 £
North Norfolk Railway Plc	<u>3,974,870</u>	<u>3,974,870</u>	<u>-</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

10. INVESTMENT MANAGEMENT COSTS

	Restricted funds 2026 £	Total funds 2026 £
Investment management fees	4,764	4,764
	Restricted funds 2025 £	Total funds 2025 £
Investment management fees	5,460	5,460

11. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2026 £	Restricted funds 2026 £	Total 2026 £
Conservation activities	213,509	40,712	254,221
Education activities	3,567	1,570	5,137
Membership	52,673	-	52,673
Primary purpose trading	16,163	3,032	19,195
	<u>285,912</u>	<u>45,314</u>	<u>331,226</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

11. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)

Summary by fund type (continued)

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
Conservation activities	440,507	65,436	505,943
Education activities	4,980	1,147	6,127
Membership	53,422	-	53,422
Primary purpose trading	7,372	3,160	10,532
	<u>506,281</u>	<u>69,743</u>	<u>576,024</u>

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2026 £	Support costs 2026 £	Total funds 2026 £
Conservation activities	190,820	63,401	254,221
Education activities	4,188	949	5,137
Membership	38,659	14,014	52,673
Primary purpose trading	14,893	4,302	19,195
	<u>248,560</u>	<u>82,666</u>	<u>331,226</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

	Activities undertaken directly 2025 £	Support costs 2025 £	Total funds 2025 £
Conservation activities	473,903	32,040	505,943
Education activities	5,765	362	6,127
Membership	49,537	3,885	53,422
Primary purpose trading	9,996	536	10,532
	<u>539,201</u>	<u>36,823</u>	<u>576,024</u>

ANALYSIS OF DIRECT COSTS

	Conservation activities 2026 £	Education activities 2026 £	Membership 2026 £	Primary purpose trading 2026 £	Total funds 2026 £
Administration	-	-	15,898	-	15,898
Cost of goods sold	-	-	-	14,612	14,612
Depreciation	33,617	3,498	-	281	37,396
Equipment & storage	1,770	434	-	-	2,204
Insurance	14,850	-	-	-	14,850
Joint Line publishing	-	-	22,761	-	22,761
Maintenance & operation	108,921	-	-	-	108,921
Restoration costs	31,662	-	-	-	31,662
Subscriptions	-	256	-	-	256
	<u>190,820</u>	<u>4,188</u>	<u>38,659</u>	<u>14,893</u>	<u>248,560</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF DIRECT COSTS (continued)

	Conservation activities 2025 £	Education activities 2025 £	Membership 2025 £	Primary purpose trading 2025 £	Total funds 2025 £
Administration	-	-	24,363	-	24,363
Cost of goods sold	-	-	-	9,715	9,715
Depreciation	39,453	3,498	-	281	43,232
Equipment & storage	1,202	2,016	-	-	3,218
Grants awarded (see note 33 for details)	88,850	-	-	-	88,850
Insurance	11,660	-	-	-	11,660
Joint Line publishing	-	-	25,174	-	25,174
Maintenance & operation	277,290	-	-	-	277,290
Restoration costs	55,448	-	-	-	55,448
Subscriptions	-	251	-	-	251
	<u>473,903</u>	<u>5,765</u>	<u>49,537</u>	<u>9,996</u>	<u>539,201</u>

ANALYSIS OF SUPPORT COSTS

	Conservation activities 2026 £	Education activities 2026 £	Membership 2026 £	Primary purpose trading 2026 £	Total funds 2026 £
Bank & credit card charges	13,957	209	3,085	947	18,198
Governance	908	14	201	62	1,185
Miscellaneous expenditure	32,063	480	7,087	2,175	41,805
Office rent & charges	14,255	213	3,151	967	18,586
Subscriptions	1,635	24	361	111	2,131
Sundry small equipment	583	9	129	40	761
	<u>63,401</u>	<u>949</u>	<u>14,014</u>	<u>4,302</u>	<u>82,666</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS (continued)

	Conservation activities 2025 £	Education activities 2025 £	Membership 2025 £	Primary purpose trading 2025 £	Total funds 2025 £
Bank & credit card charges	1,986	22	241	33	2,282
Governance	21,036	238	2,551	352	24,177
Miscellaneous expenditure	348	4	42	6	400
Office rent & charges	7,999	90	970	134	9,193
Subscriptions	519	6	63	9	597
Sundry small equipment	152	2	18	2	174
	<u>32,040</u>	<u>362</u>	<u>3,885</u>	<u>536</u>	<u>36,823</u>

Support costs are allocated to expenditure on the same ratio as the direct costs associated with the relevant area of activity.

13. AUDITORS' REMUNERATION

	2026 £	2025 £
Fees payable to the Society's auditor for the audit of the Society's annual accounts	28,000	19,000
Fees payable to the Society's auditor in respect of:		
Preparation of the statutory financial statements	6,770	-
Tax compliance	1,250	-

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

14. TRUSTEES' REMUNERATION AND EXPENSES

The Society has no employees. Apart from K R Ashford, who was full-time Chief Mechanical Engineer of NNR plc until his retirement in April 2026, none of the Trustees has 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 £3,554 to 4 trustees (2025 - £1,546 to 3 trustees).

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 was £220 (2025: £250). There may have been additional unidentified donations placed in collecting boxes located at the Society's shop and museum.

15. SUBSIDIARY STAFF COSTS

	2026 £
Wages and salaries	1,492,165
Social security costs	167,775
Cost of defined contribution scheme	30,282
	<u>1,690,222</u>

The average monthly number of employees employed by NNR plc was 76.

The number of employees whose employment benefits (excluding employer pension costs) exceeded £60,000 was:

	2026
In the band £60,001 to £65,000	1
In the band £65,001 to £70,000	1

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

The Board of Directors of NNR plc receive no remuneration from their post, with the day-to-day running of the railway being delegated to a senior management group. The total amount of employee remuneration and benefits received by the senior management group was as follows:

	2026 £
Wages and salaries	349,647
Social security costs	45,925
Cost of defined contribution scheme	8,305
	<u>403,877</u>

16. TAXATION

The Society is exempt from corporation tax on its charitable activities, whilst the operations of the subsidiary company are subject to corporation tax. No charge to corporation tax is included in these accounts as the subsidiary company has estimated tax losses of £1,267,320 at 31 January 2026, available to carry forward against future trading profits and timing differences on capital allowances of £1,131,619. At current corporation tax rates a potential deferred tax asset of £33,925 has not been recognised in these financial statements on the net of these balances.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026**

17. TANGIBLE FIXED ASSETS

GROUP

	Freehold property £	Plant, machinery, fixtures, fittings and equipment £	Total £
COST			
At 1 February 2025	520,403	49,582	569,985
Additions	54,176	43,684	97,860
On acquisition of subsidiaries	2,227,779	191,330	2,419,109
Disposals	(5,000)	-	(5,000)
At 31 January 2026	<u>2,797,358</u>	<u>284,596</u>	<u>3,081,954</u>
DEPRECIATION			
At 1 February 2025	179,095	42,341	221,436
Charge for the year	92,959	54,720	147,679
At 31 January 2026	<u>272,054</u>	<u>97,061</u>	<u>369,115</u>
NET BOOK VALUE			
At 31 January 2026	<u><u>2,525,304</u></u>	<u><u>187,535</u></u>	<u><u>2,712,839</u></u>
At 31 January 2025	<u><u>341,308</u></u>	<u><u>7,241</u></u>	<u><u>348,549</u></u>

Included in land and buildings is land at cost of £89,296, which is not depreciated, together with assets at a cost of £34,167 which are not depreciated in respect of assets in the course of construction.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

17. TANGIBLE FIXED ASSETS (CONTINUED)

SOCIETY

	Long-term leasehold property £	Fixtures and fittings £	Total £
COST			
At 1 February 2025	520,403	49,582	569,985
At 31 January 2026	520,403	49,582	569,985
DEPRECIATION			
At 1 February 2025	179,095	42,341	221,436
Charge for the year	10,926	1,439	12,365
At 31 January 2026	190,021	43,780	233,801
NET BOOK VALUE			
At 31 January 2026	330,382	5,802	336,184
At 31 January 2025	341,308	7,241	348,549

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

18. HERITAGE ASSETS

GROUP AND SOCIETY

Assets recognised at cost

	Collection assets 2026 £	Locomotive boilers 2026 £	Land and buildings 2026 £	Total 2026 £
Carrying value at 1 February 2025	406,118	127,664	-	533,782
Additions	34,856	45,577	-	80,433
On acquisition of NNR plc	557,782	-	481,589	1,039,371
Depreciation	-	(25,750)	-	(25,750)
	<u>998,756</u>	<u>147,491</u>	<u>481,589</u>	<u>1,627,836</u>

Analysis of heritage asset transactions

GROUP AND SOCIETY

	2026 £	2025 £	2024 £	2023 £	2022 £
PURCHASES					
Locomotives	-	-	45,000	-	-
Carriages and wagons	34,856	-	20,000	14,000	-
Locomotive boilers	45,577	5,784	19,318	-	24,083
TOTAL ADDITIONS	<u>80,433</u>	<u>5,784</u>	<u>84,318</u>	<u>14,000</u>	<u>24,083</u>
CHARGE FOR DEPRECIATION					
Locomotive boilers	25,750	30,869	34,178	32,647	31,078
TOTAL CHARGE FOR DEPRECIATION	<u>25,750</u>	<u>30,869</u>	<u>34,178</u>	<u>32,647</u>	<u>31,078</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

18. HERITAGE ASSETS (CONTINUED)

Analysis of heritage asset transactions (continued)

GROUP AND SOCIETY (continued)

	2026	2025	2024	2023	2022
	£	£	£	£	£

Collection assets

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 (£120,588/£120,588), 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

Locomotive boilers are components related to the historical locomotives.

Land and buildings

Land and buildings are heritage buildings located at Sheringham Railway Station.

NNR assets on acquisition

These assets represent heritage assets acquired on acquisition of North Norfolk Railway Plc and comprise carriages and wagons (£557,782) and heritage buildings located at Sheringham Railway Station (£481,589).

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

18. HERITAGE ASSETS (CONTINUED)

SOCIETY

	Collection assets 2026 £	Locomotive boilers 2026 £	Total 2026 £
Carrying value at 1 February 2025	406,118	127,664	533,782
Additions	-	45,577	45,577
Depreciation	-	(25,750)	(25,750)
	<u>406,118</u>	<u>147,491</u>	<u>553,609</u>

SOCIETY

	2026 £	2025 £	2024 £	2023 £	2022 £
PURCHASES					
Locomotives	-	-	45,000	-	-
Carriages and wagons	-	-	20,000	14,000	-
Locomotive boilers	45,577	5,784	19,318	-	24,083
TOTAL ADDITIONS	<u>45,577</u>	<u>5,784</u>	<u>84,318</u>	<u>14,000</u>	<u>24,083</u>
CHARGE FOR DEPRECIATION					
Locomotive boilers	25,750	30,869	34,178	32,647	31,078
TOTAL CHARGE FOR DEPRECIATION	<u>25,750</u>	<u>30,869</u>	<u>34,178</u>	<u>32,647</u>	<u>31,078</u>

Collection assets

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

Locomotive boilers are components related to the historical locomotives.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

19. FIXED ASSET INVESTMENTS

GROUP	Listed investments £	Unlisted investments £	Total £
COST OR VALUATION			
At 1 February 2025	564,764	100,000	664,764
Additions	44,324	-	44,324
On acquisition of subsidiary	-	10,220	10,220
Disposals	(42,184)	(100,000)	(142,184)
Revaluations	43,060	-	43,060
Cash movement	(2,875)	-	(2,875)
AT 31 JANUARY 2026	607,089	10,220	617,309
NET BOOK VALUE			
AT 31 JANUARY 2026	607,089	10,220	617,309
AT 31 JANUARY 2025	564,764	100,000	664,764

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026**

19. FIXED ASSET INVESTMENTS (CONTINUED)

SOCIETY	Investments in subsidiary companies £	Listed investments £	Unlisted investments £	Loans to subsidiaries £	Total £
COST OR VALUATION					
At 1 February 2025	265,643	564,764	100,000	31,800	962,207
Additions	850	44,324	-	-	45,174
Disposals	-	(42,184)	(100,000)	-	(142,184)
Accrual of interest	-	43,060	-	1,908	44,968
Movement in cash held at investment manager	-	(2,875)	-	-	(2,875)
AT 31 JANUARY 2026	<u>266,493</u>	<u>607,089</u>	<u>-</u>	<u>33,708</u>	<u>907,290</u>
IMPAIRMENT					
Charge for the year	264,643	-	-	-	264,643
AT 31 JANUARY 2026	<u>264,643</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>264,643</u>
NET BOOK VALUE					
AT 31 JANUARY 2026	<u>1,850</u>	<u>607,089</u>	<u>-</u>	<u>33,708</u>	<u>642,647</u>
AT 31 JANUARY 2025	<u>265,643</u>	<u>564,764</u>	<u>100,000</u>	<u>31,800</u>	<u>962,207</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

19. FIXED ASSET INVESTMENTS (CONTINUED)

Loans to subsidiaries

This loan is represented by a three-year bond issued by North Norfolk Railway plc. The bond attracts 5% interest and matures in April 2028.

Listed investments

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 Society is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the Society 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 Society investments are mainly traded in markets with good liquidity and high trading volumes. The Society has no material investment holdings in markets subject to exchange controls or trading restrictions. The Society manages these investment risks by retaining expert advisers 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 Society 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.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

19. FIXED ASSET INVESTMENTS (CONTINUED)

PRINCIPAL SUBSIDIARIES

The following were subsidiary undertakings of the Society:

Names	Company number	Registered office or principal place of business	Principal activity	Class of shares	Included in consolidation
North Norfolk Railway plc	00762885	Sheringham Railway Station	Railway operations	Ordinary - non-voting (29.78%); Preference - voting (100%)	Yes
Midland & Great Northern Heritage Limited	04009464	Sheringham Railway Station	Dormant	Ordinary (100%)	Yes

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit for the year £	Net assets £
North Norfolk Railway plc	4,134,878	4,053,553	81,325	846,300
Midland & Great Northern Heritage Limited	-	-	-	802

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

20. STOCKS

	Group 2026 £	Group 2025 £	Society 2026 £	Society 2025 £
Raw materials and consumables	185,873	101,791	101,509	101,791
Finished goods and goods for resale	40,391	11,073	11,073	11,073
	226,264	112,864	112,582	112,864

21. DEBTORS

	Group 2026 £	Group 2025 £	Society 2026 £	Society 2025 £
DUE WITHIN ONE YEAR				
Trade debtors	45,086	-	-	-
Amounts owed by group undertakings	-	6,710	52,612	6,710
Other debtors	52,606	15,906	10,978	15,906
Prepayments and accrued income	609,488	18,453	78,342	18,453
	707,180	41,069	141,932	41,069

22. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2026 £	Group 2025 £	Society 2026 £	Society 2025 £
Bank overdrafts	258,347	-	-	-
Bank loans	26,200	-	-	-
Trade creditors	288,467	21,089	54,949	21,089
Amounts owed to group undertakings	-	2,459	25,198	2,459
Other taxation and social security	36,394	-	-	-
Other creditors	385,261	550	4,277	550
Accruals and deferred income	209,084	18,410	28,000	18,410
Grants accrued - institutional	-	39,906	71,207	39,906
	1,203,753	82,414	183,631	82,414

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

	Group 2026 £	Group 2025 £
Deferred income at 1 February 2025	204,994	206,994
Amounts released from previous periods	(15,895)	(2,000)
	189,099	204,994

Deferred income relates to a lease premium, which is being recognised in income over the life of the lease, and income received in advance for projects taking place in future.

Secured loans

The bank overdraft facility of NNR plc is secured by a legal charge over the company's freehold property.

Included within other creditors are amounts owed by NNR plc which are secured upon the assets to which they relate.

Bank loans consist of a commercial mortgage upon which interest is payable at the bank base rate plus 2.2%, and is due to mature on 28 April 2030. The bank loan is secured by a legal charge over the freehold property of NNR plc and a debenture over its assets and undertakings both present and future.

On 25 September 2020 NNR plc received a 100% Government-backed Bounce Back loan of £50,000 with an interest rate of 2.5%, to be repaid over a period of 6 years. No capital or interest payments were due in the first 12 months and the amount outstanding at 31 January 2026 in respect of this loan was £3,553.

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

	Group 2026 £	Group 2025 £	Society 2026 £	Society 2025 £
Bank loans	83,539	-	-	-
Other creditors	494,541	-	-	-
Accruals and deferred income	69,001	-	-	-
Accrued grants payable to institutions	-	85,918	30,417	85,918
	647,081	85,918	30,417	85,918

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

23. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (CONTINUED)

	Group 2026 £	Group 2025 £	Society 2026 £	Society 2025 £
--	--------------------	--------------------	----------------------	----------------------

Secured loans

The bank overdraft facility of NNR plc is secured by a legal charge over the company's freehold property.

Included within other creditors are amounts owed by NNR plc which are secured upon the assets to which they relate.

Bank loans consist of a commercial mortgage upon which interest is payable at the bank base rate plus 2.2%, and is due to mature on 28 April 2030. The bank loan is secured by a legal charge over the freehold property of NNR plc and a debenture over its assets and undertakings both present and future.

On 25 September 2020 NNR plc received a 100% Government-backed Bounce Back loan of £50,000 with an interest rate of 2.5%, to be repaid over a period of 6 years. No capital or interest payments were due in the first 12 months and the amount outstanding at 31 January 2026 in respect of this loan was £3,553.

Bonds

The Group has issued the following bonds, including accrued interest, which are due for repayment as follows:

Rolling basis £56,322
April 2026 £116,437
December 2026 £11,502
March 2027 £69,270
April 2027 £94,964
May 2027 £8,022
April 2028 £32,094
May 2028 £22,924
March 2029 £26,349
April 2029 £34,490
May 2029 £60,110
February 2030 £54,612

Since the year end, bonds totalling £32,312 have been repaid and, if trading allows, the Group intends to repay a further £267,883 over the coming months. The other bonds all mature after one year from the approval of these financial statements, and if working capital allows, the directors of NNR plc intend to repay these bonds as they fall due. The directors are confident that if required, bond holders will roll their bonds and not require repayment.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

Included within creditors due in more than one year are amounts falling due as follows:

	Group 2026 £	Group 2025 £
BETWEEN ONE AND TWO YEARS		
Bank loans	22,647	-
BETWEEN TWO AND FIVE YEARS		
Bank loans	60,892	-

24. BUSINESS COMBINATIONS

On 1 February 2025, the Society gained control of North Norfolk Railway plc (NNR) by acquiring 100% of its preference shares, which confer full voting rights. Accordingly, the results of the company since this date have been consolidated with those of the Society using the purchase method.

North Norfolk Railway plc is a public limited company incorporated in England and Wales, registration number 00762885.

Consideration paid to acquire control comprised ordinary shares totalling £264,643 and preference shares totalling £100.

In accordance with Section 24.33 of the Charities SORP, the gain arising on acquisition of North Norfolk Railway plc has been treated as other income rather than negative goodwill, reflecting the fact that the consideration paid was nominal in nature and far less than the value of the net assets acquired.

The table below presents the value of the assets and liabilities acquired by the Society.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

24. BUSINESS COMBINATIONS (CONTINUED)

	Book value £	Fair value adjustments £	Fair value £
FIXED ASSETS			
Tangible assets	3,458,480	-	3,458,480
Investments	10,220	-	10,220
	<u>3,468,700</u>	<u>-</u>	<u>3,468,700</u>
CURRENT ASSETS			
Stocks	109,937	-	109,937
Debtors	290,126	125,824	415,950
Cash at bank and in hand	21,525	-	21,525
	<u>3,890,288</u>	<u>125,824</u>	<u>4,016,112</u>
TOTAL ASSETS			
CREDITORS			
Due within one year	(1,348,763)	18,304	(1,330,459)
Due after more than one year	(1,781,726)	1,055,420	(726,306)
	<u>759,799</u>	<u>1,199,548</u>	<u>1,959,347</u>
TOTAL IDENTIFIABLE NET ASSETS			
			<u>(1,694,604)</u>
TOTAL PURCHASE CONSIDERATION			<u>264,743</u>

The results of North Norfolk Railway plc included in the consolidated financial statements since acquisition are as follows:

	Current period since acquisition £
Turnover	4,092,446
Profit for the period since acquisition	92,676

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

25. GROUP STATEMENT OF FUNDS

GROUP STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 February 2025 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 January 2026 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Loco pot	356,591	-	(157,214)	116,961	-	316,338
Operation Phoenix	63,000	-	(2,000)	-	-	61,000
Special projects	44,029	28,028	-	-	-	72,057
	<u>463,620</u>	<u>28,028</u>	<u>(159,214)</u>	<u>116,961</u>	<u>-</u>	<u>449,395</u>
GENERAL FUNDS						
General Fund	245,198	2,332,411	(73,138)	(1,429,961)	-	1,074,510
NNR Plc	-	4,092,446	(4,028,653)	1,694,604	-	1,758,397
	<u>245,198</u>	<u>6,424,857</u>	<u>(4,101,791)</u>	<u>264,643</u>	<u>-</u>	<u>2,832,907</u>
TOTAL UNRESTRICTED FUNDS	<u>708,818</u>	<u>6,452,885</u>	<u>(4,261,005)</u>	<u>381,604</u>	<u>-</u>	<u>3,282,302</u>
ENDOWMENT FUNDS						
NNR ordinary shares	264,643	-	-	(264,643)	-	-
Heritage assets - collection assets	406,117	-	-	-	-	406,117
	<u>670,760</u>	<u>-</u>	<u>-</u>	<u>(264,643)</u>	<u>-</u>	<u>406,117</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

25. STATEMENT OF FUNDS (CONTINUED)

RESTRICTED FUNDS

Loco Club (all locos)	61,070	12,076	-	(10,940)	-	62,206
J15	3,443	4,183	(1,394)	-	-	6,232
B12	3,974	4,191	(1,425)	-	-	6,740
B12 Overhaul Appeal	5,907	2,149	-	-	-	8,056
WD	1,800	570	-	-	-	2,370
Wissington	3,570	667	-	-	-	4,237
Ring Haw	1,606	125	-	-	-	1,731
Steam Loco Legacy	1,091,305	13,510	(4,764)	(106,021)	50,161	1,044,191
31 Fund (Class 31)	1,553	294	-	-	-	1,847
Diesel Club	9,954	1,365	-	-	-	11,319
NNR Appeal	-	74,770	-	-	-	74,770
Heritage Coach Fund	85,955	45,070	(33,760)	-	-	97,265
Museum	49,965	4,415	(2,801)	-	-	51,579
Museum Improvements	17,390	-	(880)	-	-	16,510
Holt Development	5,666	150	-	-	-	5,816
Carriage Sheds	259,606	-	(7,868)	-	-	251,738
Railway Cottage	4,266	2,648	(5)	-	-	6,909
Society Grants	7,575	-	-	-	-	7,575
Loco & RS Legacy Fund	100,000	-	-	-	-	100,000
	<u>1,714,605</u>	<u>166,183</u>	<u>(52,897)</u>	<u>(116,961)</u>	<u>50,161</u>	<u>1,761,091</u>
TOTAL OF FUNDS	<u><u>3,094,183</u></u>	<u><u>6,619,068</u></u>	<u><u>(4,313,902)</u></u>	<u><u>-</u></u>	<u><u>50,161</u></u>	<u><u>5,449,510</u></u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

25. STATEMENT OF FUNDS (CONTINUED)

GROUP STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 February 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 January 2025 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
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>-</u>	<u>463,620</u>
GENERAL FUNDS						
General Fund	<u>247,418</u>	<u>112,259</u>	<u>(114,299)</u>	<u>(180)</u>	<u>-</u>	<u>245,198</u>
TOTAL UNRESTRICTED FUNDS	<u>810,248</u>	<u>182,718</u>	<u>(507,116)</u>	<u>222,968</u>	<u>-</u>	<u>708,818</u>
ENDOWMENT FUNDS						
NNR ordinary shares	264,643	-	-	-	-	264,643
Heritage assets - collection assets	406,117	-	-	-	-	406,117
	<u>670,760</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>670,760</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

25. STATEMENT OF FUNDS (CONTINUED)

RESTRICTED FUNDS

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	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)	(147,581)	87,876	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	156,398	2,160	-	(58,558)	-	100,000
	<u>1,806,889</u>	<u>121,818</u>	<u>(78,830)</u>	<u>(223,148)</u>	<u>87,876</u>	<u>1,714,605</u>
TOTAL OF FUNDS	<u><u>3,287,897</u></u>	<u><u>304,536</u></u>	<u><u>(585,946)</u></u>	<u><u>(180)</u></u>	<u><u>87,876</u></u>	<u><u>3,094,183</u></u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026**

25. STATEMENT OF FUNDS (CONTINUED)

Restricted funds

The income of the funds relates to donations, other contributions, shop retail and donated sales, investment income and bank interest.

Following a decision by the Directors of the North Norfolk Railway plc, 'The Carriage and Wagon Trust', a charitable trust under their control was dissolved and removed from the Charity Commission register in May 2025. The funds of the trust were transferred to the Midland and Great Northern Railway Society and were placed in a restricted fund. The funds were originally donated for the upkeep of locomotive 'Black Prince', the rebuilding of station buildings on Platform 2 at Sheringham and for the replacement of signalling equipment in Sheringham West signal box. The Society Trustees have agreed that the funds will only be expended on the projects for which they were originally donated.

The transfer of £106,021 from the restricted Steam locomotive legacy to the designated 'Loco Pot' represents expenditure on the overhaul of Society locomotives. The transfer of £10,940 from the restricted Loco Club to the designated 'Loco Pot' represents remedial expenditure on Society locomotive, not covered by steaming fees received in the year.

Endowment funds

This is not a cash fund. All heritage assets are represented in Endowment Funds, 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. The transfer represents the impairment of the ordinary shares held by the society in NNR as a result of the issue of 100 preference shares, which give the Society full control of NNR plc.

Designated funds

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. This fund therefore includes 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.

The Operation Phoenix fund relates to the lease premium paid to lease buildings from NNR plc. This fund is being utilised in line with the lease term.

The Special Projects fund represents monies held by the Society to cover future projects.

General funds

The transfer into the NNR plc fund represents the gain arising from the acquisition of NNR plc's net assets on 1 February 2025. The income and expenditure assigned to this fund represent NNR plc's income and expenditure after the removal of intra-group trading.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

25. SOCIETY STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 February 2025 £	Income £	Expenditure £	Transfers in/out £	Gains & Losses £	Balance at 31 January 2026 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Loco pot	356,591	73,600	(157,214)	116,961	-	389,938
Operation Phoenix	63,000	-	(2,000)	-	-	61,000
Special projects	44,029	28,028	-	-	-	72,057
	<u>463,620</u>	<u>101,628</u>	<u>(159,214)</u>	<u>116,961</u>	<u>-</u>	<u>522,995</u>
GENERAL FUNDS						
General fund	245,198	176,527	(151,716)	(850)	-	269,159
	<u>245,198</u>	<u>176,527</u>	<u>(151,716)</u>	<u>(850)</u>	<u>-</u>	<u>269,159</u>
TOTAL UNRESTRICTED FUNDS	<u>708,818</u>	<u>278,155</u>	<u>(310,930)</u>	<u>116,111</u>	<u>-</u>	<u>792,154</u>
ENDOWMENT FUNDS						
NNR ordinary shares	264,643	-	-	750	(264,643)	750
NNR preference shares	-	-	-	100	-	100
Heritage assets - collection assets	406,117	-	-	-	-	406,117
	<u>670,760</u>	<u>-</u>	<u>-</u>	<u>850</u>	<u>(264,643)</u>	<u>406,967</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

SOCIETY STATEMENT OF FUNDS - CURRENT YEAR (CONTINUED)

RESTRICTED FUNDS

Loco Club (all locos)	61,070	12,076	-	(10,940)	-	62,206
J15	3,443	4,183	(1,394)	-	-	6,232
B12	3,974	4,191	(1,425)	-	-	6,740
B12 Overhaul Appeal	5,907	2,149	-	-	-	8,056
WD	1,800	570	-	-	-	2,370
Wissington	3,570	667	-	-	-	4,237
Ring Haw	1,606	125	-	-	-	1,731
Steam Loco Legacy	1,091,305	13,510	(4,764)	(106,021)	50,161	1,044,191
31 Fund (Class 31)	1,553	294	-	-	-	1,847
Diesel Club	9,954	1,365	-	-	-	11,319
NNR Appeal	-	74,770	-	-	-	74,770
Heritage Coach Fund	85,955	45,070	(33,760)	-	-	97,265
Museum	49,965	4,415	(2,801)	-	-	51,579
Museum Improvements	17,390	-	(880)	-	-	16,510
Holt Development	5,666	150	-	-	-	5,816
Carriage Sheds	259,606	-	(7,868)	-	-	251,738
Railway Cottage	4,266	2,648	(5)	-	-	6,909
Society Grants	7,575	-	-	-	-	7,575
Loco & RS Legacy						
Fund	100,000	-	-	-	-	100,000
	1,714,605	166,183	(52,897)	(116,961)	50,161	1,761,091
TOTAL OF FUNDS	3,094,183	444,338	(363,827)	-	(214,482)	2,960,212

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

25. SOCIETY STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 February 2024 £	Income £	Expenditure £	Transfers in/out £	Gains & Losses £	Balance at 31 January 2025 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
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>-</u>	<u>463,620</u>
GENERAL FUNDS						
General fund	247,418	112,259	(114,299)	(180)	-	245,198
	<u>247,418</u>	<u>112,259</u>	<u>(114,299)</u>	<u>(180)</u>	<u>-</u>	<u>245,198</u>
TOTAL UNRESTRICTED FUNDS	<u>810,248</u>	<u>182,718</u>	<u>(507,116)</u>	<u>222,968</u>	<u>-</u>	<u>708,818</u>
ENDOWMENT FUNDS						
NNR Ordinary shares	264,643	-	-	-	-	264,643
Heritage assets - collection assets	406,117	-	-	-	-	406,117
	<u>670,760</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>670,760</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

SOCIETY STATEMENT OF FUNDS - PRIOR YEAR (CONTINUED)

RESTRICTED FUNDS

Loco Club (all locos)	66,677	12,974	(67)	(18,514)	-	61,070
J15	387	4,311	(1,255)	-	-	3,443
B12	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)	(147,581)	87,876	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	156,398	2,160	-	(58,558)	-	100,000
	1,806,889	121,818	(78,830)	(223,148)	87,876	1,714,605
TOTAL OF FUNDS	3,287,897	304,536	(585,946)	(180)	87,876	3,094,183

26. GROUP ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2026 £	Restricted funds 2026 £	Endowment funds 2026 £	Total funds 2026 £
CURRENT YEAR				
Tangible fixed assets	3,666,312	268,246	406,117	4,340,675
Investments	10,220	607,089	-	617,309
Net current assets	252,851	885,756	-	1,138,607
Creditors due after one year	(647,081)	-	-	(647,081)
	3,282,302	1,761,091	406,117	5,449,510

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £
PRIOR YEAR				
Tangible fixed assets	199,220	276,994	406,117	882,331
Fixed asset investments	32,800	664,764	264,643	962,207
Net current assets	562,716	772,847	-	1,335,563
Creditors due after one year	(85,918)	-	-	(85,918)
	<u>708,818</u>	<u>1,714,605</u>	<u>670,760</u>	<u>3,094,183</u>

SOCIETY ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2026 £	Restricted funds 2026 £	Endowment funds 2026 £	Total funds 2026 £
CURRENT YEAR				
Tangible fixed assets	215,430	268,246	406,117	889,793
Fixed asset investments	34,708	607,089	850	642,647
Net current assets	572,433	885,756	-	1,458,189
Creditors due after one year	(30,417)	-	-	(30,417)
	<u>792,154</u>	<u>1,761,091</u>	<u>406,967</u>	<u>2,960,212</u>

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £
PRIOR YEAR				
Tangible fixed assets	199,220	276,994	406,117	882,331
Fixed asset investments	32,800	664,764	264,643	962,207
Net current assets	562,716	772,847	-	1,335,563
Creditors due after one year	(85,918)	-	-	(85,918)
	<u>708,818</u>	<u>1,714,605</u>	<u>670,760</u>	<u>3,094,183</u>

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026**

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

	Group 2026 £	Group 2025 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	2,355,327	(193,534)
ADJUSTMENTS FOR:		
Gain on investments	(50,161)	(87,876)
Less donation arising on acquisition of NNR Plc	(1,694,604)	-
Less dividends and interest from investments	(29,866)	(49,738)
Depreciation	173,429	43,233
Profit on disposal of tangible fixed assets	(30,000)	-
Interest paid	73,248	-
(Increase)/decrease in stock	(3,463)	5,446
(Increase)/decrease in debtors	(382,695)	31,577
(Decrease)/increase in creditors	(270,019)	49,030
Donation of shares	-	(180)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	141,196	(202,042)

28. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2026 £	Group 2025 £
Cash at bank and in hand	1,408,916	1,264,044

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

29. ANALYSIS OF CHANGES IN NET DEBT

	At 1 February 2025 £	Cash flows £	Acquisition and disposal of subsidiaries £	Other non- cash changes £	At 31 January 2026 £
Cash at bank and in hand	1,264,044	123,347	21,525	-	1,408,916
Bank overdrafts repayable on demand	-	39,669	(298,016)	-	(258,347)
Debt due within 1 year	-	31,702	(31,702)	(26,200)	(26,200)
Debt due after 1 year	-	52	(109,791)	26,200	(83,539)
	<u>1,264,044</u>	<u>194,770</u>	<u>(417,984)</u>	<u>-</u>	<u>1,040,830</u>

30. 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, and in December 2022 a contract for this was entered into with The Flour Mill Ltd in the sum of £133,380. At 31 January 2026 works to the value of £68,373 had been completed. 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 2026 works to the value of £27,914 had been completed. The overhaul is on schedule to be completed in Spring 2027.

In January 2023 a contract for the overhaul of B12/3 no. 8572's chassis and tender was entered into with Riley & Son (Electromec) Limited in the sum of £299,615. By 31 January 2026, variations to the scope of works had increased the value of the contract to £449,250 with the value of completed work being £333,068 at that date. The overhaul of the boiler is being carried out by the NNR under a September 2023 contract in the original sum of £188,171. By 31 January 2026, variations to the scope of works had increased the value of the contract to £287,680, with the value of completed work being £58,613 by that date. The overhaul is on schedule to be completed in Spring 2028, when the locomotive will celebrate its centenary.

Contingent commitments

The Heritage Lottery Grant of £188,317 received by NNR plc in 2002 to assist with the purchase of Sheringham Station is potentially repayable if the asset, or part of it, is sold within 80 years of the receipt of the grant.

31. PENSION COMMITMENTS

NNR plc operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £30,282. The amount owed to the scheme at the year end amounted to £6,798.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

32. OPERATING LEASE COMMITMENTS

At 31 January 2026 the Group and the Society had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2026 £	Group 2025 £	Society 2026 £	Society 2025 £
Land and buildings				
Not later than 1 year	24,550	100	16,267	100
Later than 1 year and not later than 5 years	66,358	67	59,400	67
Total land and buildings	90,908	167	75,667	167
Computer equipment				
Not later than 1 year	7,581	-	7,581	-
Later than 1 year and not later than 5 years	11,751	-	11,751	-
Total computer equipment	19,332	-	19,332	-
Total operating lease commitments	110,240	167	94,999	167

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	Group 2026 £	Group 2025 £	Society 2026 £	Society 2025 £
Operating lease rentals	27,363	100	18,373	100

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

33. RELATED PARTY TRANSACTIONS (CONTINUED)

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. Under the Charity's governing document, trustees must not receive remuneration. However, as a result of the organisational restructuring undertaken during the year, one trustee, R Ashford who was full-time Chief Mechanical Engineer of NNR plc until his retirement in April 2026 continued to be remunerated through the subsidiary company in their capacity as an employee. There were no changes to the individual's employment terms, including remuneration, as a consequence of the restructuring. This trustee is also considered to be part of key management personnel (KMP), and their remuneration is included within the KMP disclosure and the higher-paid staff bandings disclosure. No remuneration was made for his services as a trustee.

None of the other trustees have been paid any remuneration or received any other benefits from employment by the Charity or a related entity.

The following Trustees holding office at the year-end are also directors of the NNR:

S R Allen
D J Ballard
M R Blee
S B Squires
A Dewey (retired as a director of NNR plc on 31 July 2025)

NNR plc issue bonds to finance their operations for a period of three years with fixed interest rates of 5% per annum accruing over the term of the bond, payable on redemption. Bonds, including interest, were owing at 31 January 2026 to the following trustees:

	2026
S R Allen	£7,567
A E Dewey	<u>£10,345</u>
	<u>£17,912</u>

During the year, Society sales to NNR were £77,156 (2025: £49,221) excluding VAT and purchases from them £67,631 (2025: £85,246) excluding VAT. At the year end, NNR owed the Society £147,442 (2025: £8,020) and the Society owed NNR £29,275 (2025: £1,988), including VAT. One grant was awarded to the NNR during the year amounting to £1,856 (2025: two grants of £88,850).

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 30 September 2105) and the Museum Building (to 10 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. 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.

Following a decision by the Directors of the North Norfolk Railway plc, 'The Carriage and Wagon Trust', a charitable trust under their control was dissolved and removed from the Charity Commission register in May 2025. The funds of the Trust amounting to £74,770 were transferred to the Society, recorded in restricted income and were placed in a new restricted fund. One of the NNR directors was also a trustee of C&WT.

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

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2026

33. RELATED PARTY TRANSACTIONS (CONTINUED)

day, when the NNR made use of the Society's Grove Allen H404 mobile crane for use other than on Society business.

All group transactions have been eliminated from the consolidated financial statements.

34. POST BALANCE SHEET EVENTS

After the balance sheet date, NNR plc entered into new financing arrangements with its bank comprising term loan facilities totalling £612,000. The facilities were used to refinance existing borrowings and to provide funding for planned capital expenditure. The loans are repayable over periods of between five and fifteen years and include both fixed and floating rates of interest. This event does not give rise to adjusting items in these financial statements.

Included in legacies is £460,000 relating to a legacy originally in favour of NNR plc. After the balance sheet date, a Deed of Variation was entered into between NNR plc directors and the deceased's solicitors to amend the will so that the legacy would be to the benefit of the Society. As the Deed was executed post year end, the legacy is not included in the Society's accounts, but in accordance with the Charities SORP (FRS 102), the amount so far received is being treated as an adjusting event within the consolidated group accounts.