

Registered number: 00762885

NORTH NORFOLK RAILWAY PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2022



NORTH NORFOLK RAILWAY PLC

COMPANY INFORMATION

Directors	Stephen Allen (Chairman) Steven Ashling Ashley Barrs Edmund Crosthwaite Barry Denton (resigned 20 November 2021) Anthony Dewey Hugh Harkett (Managing Director) Mark Middleton (resigned April 2022) Neil Sharpe Christopher West Robert Wright Andrew Munden (appointed 19 March 2022)
Company secretary	Hugh Harkett (Managing Director)
Registered number	00762885
Registered office	Sheringham Railway Station Sheringham Norfolk NR26 8RA
Independent auditors	Larking Gowen LLP Chartered Accountants & Statutory Auditors King Street House 15 Upper King Street Norwich NR3 1RB
President	David Morgan

NORTH NORFOLK RAILWAY PLC

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NORTH NORFOLK RAILWAY PLC

STRATEGIC REPORT FOR THE YEAR ENDED 31 JANUARY 2022

Business review

The year of 2021 proved to be a much better year than we could have expected. Whilst Covid-19 was still prevalent and we needed to take precautions both in terms of social distancing; cleaning of train; and the use of compartment stock (as in 2020), the Pandemic gradually waned and Government (HMG) restrictions guidelines were eventually dispensed with.

Nonetheless, we had a number of false starts to our train services. Our Strategic Plan was deliberately simple and called for three key parts - Stage I - Survival; Stage II - Recovery; Stage III - Sustainability within a normal working environment. Stage I should have been introduced as per the HMG guidelines with a minimal out and back service with one train from 12 April 2021. That was thwarted by HMG at the last minute and the railway did not get fully operational until July. But we were at least ready to operate as soon as we were given the go ahead to do so.

At least HMG did come up with a financial package of help which got us through the "lean" period prior to our service start-up in July. This was in two forms - a furlough arrangement which allowed us to basically "lay off" those workers that we did not need while services were stopped, effectively allowing them at least 80% of their wages; - and "Catch-up" grants provided by the Department for Culture Media and Sport (DCMS), administered by the National Heritage Lottery Fund (NHLF). Without doubt this is what got us through the first 5 months of 2021 until we could operate trains and bring in much needed revenues.

Other efforts wholly arranged and managed by the North Norfolk Railway (NNR) Company included the continuing operation of our Overhauls Business at Weybourne with hardly any let up in the number of locomotive contracts we have concluded in 2021. Additionally, and an important facet of our work, we kept a very tight rein on our expenditure, both ongoing revenue based and capital projects, with the latter virtually non-existent.

Once again we have volunteers that have not attended the railway other than minimally during the Covid pandemic. This is something we may have to endure for some time given their reluctance, understandably, to take risks with their health.

During the year in question we have nevertheless continued to operate within strict safety guidelines, within our Safety Management System. In fact, during this period, we received the periodic inspection visit by our Railway Inspectorate (Office of rail and Road - ORR). Despite the obvious difficulties of maintaining excellent operational safety, we were able to more than adequately satisfy the ORR's Chief Inspector for our division of heritage railways.

Principle risks and uncertainties

We must not ignore the fact that this pandemic may return in some form and cause further disruption to our efforts. We need to mitigate in a number of ways viz. - being ready to introduce special trains segregating the passengers - ie compartment stock; introducing strict guidelines on contact; making the most of the current "freedom" of disease and build a financial "war chest" in case of need. Equally we need to make the most of the "Staycation" effect and maximize the number of trains with the only constraints being our resource to run them.

Given the fact that we have avoided some infrastructure works in the last two years, it follows that some work - both revenue based and capital projects - is becoming very necessary. We need to be careful not to open the "flood gates too quickly - bear in mind the comment above on building a "war chest"! Thus we will exercise stringent controls and authorisation's with all our expenditure for some time to come.

As 2022 progresses we are being faced with an increasing cost of living as global economies recover from Covid led disruptions and the effect of war in Eastern Europe. We are very mindful of the impact less disposable income can have on predicted passenger numbers as well as the increasing nature of our cost base as inflation kicks in.

NORTH NORFOLK RAILWAY PLC

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

Financial key performance indicators

The Board of Directors is pleased with the 2021-22 financial performance (on page 13) and the profit generated in this last year of a net £195k. is both outstanding and probably a record for the NNR! This has been achieved despite the loss the key Easter period. The Board of Directors, together with the four Strategic Committees, keep themselves abreast of the financial and operational performance of the railway. Business performance is very well covered in the Finance & Strategy Committee who in turn report the key metrics to Board. The Key Performance Indicators are summarised below for the year ended 31 January 2022.

Passenger Numbers: 143,000 (2021 - 59,000); Turnover: £2,496k (2021 - £1,350k); Permanent Staff 57 (2021 - 58); Capital Spend - £136,383 (2021 - £ 2,077).

Directors' statement of compliance with duty to promote the success of the Company

The directors of the Company, 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 Company.

The directors consider it crucial that the Company maintains 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 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, employees and suppliers by providing outstanding products.

During the year, the directors consider that they have at all times acted in a way, and have made decisions, that would most likely promote the success of the 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 Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment.
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members of the Company.

The engagement of key stakeholders is summarised as follows:

Our people

We have a range of mechanisms whereby we engage with and seek feedback with all our employees. We want to work hand in hand with them to ensure that the Company is an inspiring place to work and maximise their involvement and contribution to the business.

Business relationships

We regularly engage with both existing and future customers both seeking feedback from them and providing them with details of future products. We value all of our suppliers and have many mutually beneficial business relationships.

Community and environment

We try to be a positive influence in the life of the communities in which we operate and strive to minimise our impact on the environment as much as possible.

Shareholders

We ensure that we keep our shareholders regularly updated on developments.

NORTH NORFOLK RAILWAY PLC

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2022**

This report was approved by the board and signed on its behalf.

A handwritten signature in black ink, appearing to read 'SRN', is written over a dotted line.

Stephen Allen (Chairman)
Director

Date: 21 May 2022

NORTH NORFOLK RAILWAY PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2022

The directors present their report and the financial statements for the year ended 31 January 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Results and dividends

The profit for the year, after taxation, amounted to £195,062 (2021 - loss £148,120).

NORTH NORFOLK RAILWAY PLC

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

Directors

The directors who served during the year were:

Stephen Allen (Chairman)
Steven Ashling
Ashley Barrs
Edmund Crosthwaite
Barry Denton (resigned 20 November 2021)
Anthony Dewey
Hugh Harkett (Managing Director)
Mark Middleton (resigned April 2022)
Neil Sharpe
Christopher West
Robert Wright

David Morgan retired as Chairman and a director on 31 January 2010, but continues to act as President to the Company.

In accordance with the Articles of Association, Hugh Harkett, Neil Sharpe and Robert Wright retire as directors and offer themselves for re-election at the Annual General Meeting on 16 July 2022. Andrew Munden offers himself for election as a director of the Company.

Future developments

After two difficult years during the Pandemic the Railway has virtually returned to normal working. The Strategic Plan shows a full programme of both ordinary and special trains. A significant number of Dining Services, Murder Mysteries, Cromer trains and a full roster of special events is planned as shown in the strategic plan summary below.

2022-23 Strategic plan

1. Commercial / business strategies

Ensure that the Commercial Operation supports the objective of increased income of £ 3.3m and gross operating profit of £250k. Which will include:

- Fare Strategy
- Events
- Diners
- Buffet

2. Engineering strategies

Continue to maximise boiler contracts in the overhauls business that is more profitable and has an additive value to the overall business revenue.

- Maintain locos and carriages in prime condition
- Prestigious boiler overhauls
- New contracts
- Gain market confidence

NORTH NORFOLK RAILWAY PLC

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

3. Infrastructure strategies

Essential works that have been delayed due to the pandemic need to be addressed over the next 2 years. There is a potential need to expend a minimum of £180k on various track works and yard works during this period. This money will probably come from internal revenues.

- Crossover project - Weybourne
- Sheringham resignalling
- Yard compliance measures
- Track compliance

4. Financial strategies

Continue to drive financial affairs so that the creditor position remains at a position where creditors are settled within 30 days and focus hard on cost controls that maintain today's excellent work.

Be prepared to move quickly to redress the key risks to the business which appear today to be:

- Coal supply / price
- Inflation reaching 7%

5. Projects

The main projects for starting and those to be completed are listed below. All these projects have to be financed from outside the revenue generation of the railway's operations.

- Holt development
- Holt footbridge
- Sheringham platform 2

6. Volunteers

There is a clear need to return to the enthusiasm of our volunteers for attending the Railway to pre pandemic levels. To do this we need to convince our volunteers of their value to the Railway and ensure much better communications than has existed in the past year or so.

- Better volunteer accommodation project
- Sheringham staff room
- Appoint a volunteer coordinator on commercial staff

NORTH NORFOLK RAILWAY PLC

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

Financial instruments

The Company uses financial instruments comprising borrowings, cash and other liquid resources and various items such as trade debtors, creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations.

The main issues arising from these financial instruments are liquidity risk, interest rate risk and credit risk. The Directors review and agree policies for managing these risks and they are summarised below. The policies have remained unchanged from previous periods.

Liquidity risk

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 loan, related party borrowings and hire purchase agreements for capital expenditure.

Interest rate risk

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.

Credit risk

The Company's principal financial assets are cash and trade debtors. In order to manage credit risk, limits are set on a customer by customer basis.

Engagement with suppliers, customers and others

This is considered in the Directors' statement of compliance with duty to promote the success of the Company within the Strategic Report.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

NORTH NORFOLK RAILWAY PLC

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2022**

Auditors

The auditors, Larking Gowen LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

Substantial shareholdings

As at 31 January 2022, the below members held in excess of 3% of the Company's issued share capital.

	2022 £	2021 £
D J Green	31,190	31,190
I Hurst	35,500	35,500
Midland & Great Northern Joint Railway Society	263,558	263,308
R Bonnett	26,000	-
	<u>356,248</u>	<u>329,998</u>

This report was approved by the board and signed on its behalf:



Stephen Allen (Chairman)
Director

Date: 21 MAY 2022

NORTH NORFOLK RAILWAY PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTH NORFOLK RAILWAY PLC

Opinion

We have audited the financial statements of North Norfolk Railway Plc (the 'Company') for the year ended 31 January 2022, which comprise the Income Statement, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity 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 Company's affairs as at 31 January 2022 and of its profit 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements. This describes that whilst the current trading projections based on known events at the time of signing the financial statements indicate the company will continue to meet its liabilities as they fall due, the continued risk to the company of further disruption to the industry results in there being no certainty that actual results will match these projections, bearing in mind the anticipated level of bond repayments to be made in April 2023, which could result in the Railway needing to seek additional financial support, which the Directors cannot guarantee at this point in time. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

NORTH NORFOLK RAILWAY PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTH NORFOLK RAILWAY PLC (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 directors 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

NORTH NORFOLK RAILWAY PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTH NORFOLK RAILWAY PLC (CONTINUED)

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:

Due to the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: employment law; GDPR; compliance with the UK Companies Act and health and safety including compliance with the Office of Rail and Road (ORR).

The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including direct confirmation from ORR;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

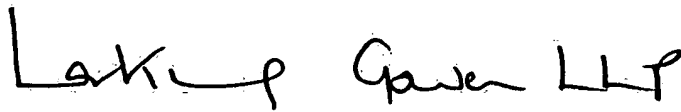
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

NORTH NORFOLK RAILWAY PLC

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTH NORFOLK RAILWAY PLC
(CONTINUED)**

Use of our report

This report is made solely to the 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 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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Charles Savory FCA (Senior Statutory Auditor)

for and on behalf of
Larking Gowen LLP

Chartered Accountants
Statutory Auditors

Norwich

Date: 6 June 2022

NORTH NORFOLK RAILWAY PLC

INCOME STATEMENT FOR THE YEAR ENDED 31 JANUARY 2022

	Note	2022 £	2021 £
Turnover	4	2,496,364	1,349,880
Cost of sales		(384,870)	(342,932)
Gross profit		2,111,494	1,006,948
Distribution costs		(772,591)	(521,937)
Administrative expenses		(1,506,284)	(1,316,275)
Other operating income	5	421,874	763,041
Operating profit/(loss)	6	254,493	(68,223)
Interest payable and similar expenses	9	(59,431)	(79,897)
Profit/(loss) before tax		195,062	(148,120)
Profit/(loss) for the financial year		195,062	(148,120)

Earnings before interest, tax, depreciation, amortisation and profit/(loss) on tangible fixed assets for the year ended 31 January 2022 was £391,387 (2021: -£58,919).

There were no recognised gains and losses for 2022 or 2021 other than those included in the income statement.


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

NORTH NORFOLK RAILWAY PLC
REGISTERED NUMBER: 00762885

STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	3,306,804	3,316,054
Investments	12	10,220	10,220
		<u>3,317,024</u>	<u>3,326,274</u>
Current assets			
Stocks	13	142,751	122,488
Debtors: amounts falling due within one year	14	110,178	134,180
Cash at bank and in hand	15	4,319	4,262
		<u>257,248</u>	<u>260,930</u>
Creditors: amounts falling due within one year	16	(493,038)	(735,230)
Net current liabilities		<u>(235,790)</u>	<u>(474,300)</u>
Total assets less current liabilities		<u>3,081,234</u>	<u>2,851,974</u>
Creditors: amounts falling due after more than one year	17	(2,265,473)	(2,264,194)
Net assets		<u><u>815,761</u></u>	<u><u>587,780</u></u>
Capital and reserves			
Called up share capital	19	857,742	824,823
Profit and loss account	20	(41,981)	(237,043)
		<u><u>815,761</u></u>	<u><u>587,780</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


Stephen Allen (Chairman)
 Director


Hugh Harkett (Managing Director)
 Director

Date: 21 MAY 2022

Date: 22/5/22

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

NORTH NORFOLK RAILWAY PLC

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2022**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 February 2020	768,933	(88,923)	680,010
Comprehensive income for the year			
Loss for the year	-	(148,120)	(148,120)
Total comprehensive income for the year	-	(148,120)	(148,120)
Shares issued during the year	55,890	-	55,890
Total transactions with owners	55,890	-	55,890
At 1 February 2021	824,823	(237,043)	587,780
Comprehensive income for the year			
Profit for the year	-	195,062	195,062
Total comprehensive income for the year	-	195,062	195,062
Shares issued during the year	32,919	-	32,919
Total transactions with owners	32,919	-	32,919
At 31 January 2022	857,742	(41,981)	815,761

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

NORTH NORFOLK RAILWAY PLC

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2022**

	2022 £	2021 £
Cash flows from operating activities		
Profit/(loss) for the financial year	195,062	(148,120)
Adjustments for:		
Depreciation of tangible assets	142,930	135,819
Profit on disposal of tangible assets	(6,036)	(126,515)
Interest paid	59,431	79,897
(Increase)/decrease in stocks	(20,263)	17,703
Decrease in debtors	24,002	31,523
(Decrease) in creditors	(2,375)	(195,691)
Net cash generated from operating activities	392,751	(205,384)
Cash flows from investing activities		
Purchase of tangible fixed assets	(136,383)	(2,077)
Sale of tangible fixed assets	8,739	162,272
Net cash from investing activities	(127,644)	160,195
Cash flows from financing activities		
Issue of ordinary shares	32,919	55,890
New secured loans	-	92,500
Repayment of loans	(23,225)	(16,917)
Bonds issued	-	95,000
Bonds repaid	(88,413)	(45,513)
Interest paid	(59,431)	(79,897)
Net cash used in financing activities	(138,150)	101,063
Net increase in cash and cash equivalents	126,957	55,874
Cash and cash equivalents at beginning of year	(297,363)	(353,237)
Cash and cash equivalents at the end of year	(170,406)	(297,363)
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,319	4,262
Bank overdrafts	(174,725)	(301,625)
	(170,406)	(297,363)

NORTH NORFOLK RAILWAY PLC

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 JANUARY 2022**

	At 1 February 2021 £	Cash flows £	At 31 January 2022 £
Cash at bank and in hand	4,262	57	4,319
Bank overdrafts	(301,625)	126,900	(174,725)
Debt due after 1 year	(1,109,519)	93,348	(1,016,171)
Debt due within 1 year	(247,412)	71,333	(176,079)
	(1,654,294)	291,638	(1,362,656)

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

NORTH NORFOLK RAILWAY PLC

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

1. Company information

North Norfolk Railway PLC is a public company incorporated in England and Wales, registration number 00762885. The registered office is Sheringham Railway Station, Sheringham, Norfolk, NR26 8RA.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in Sterling, which is the functional currency of the Company and rounded to the nearest £.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

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

2. Accounting policies (continued)

2.2 Going concern

The Company continues to meet its day-to-day working capital requirements by way of a bank overdraft and the support of private individuals. The Company has agreed with its bankers, an overdraft facility of £350,000 with no fixed or minimum duration. Due to the seasonal nature of the Company's activities they experience a significant cash inflow during the tourism season and rely on this surplus cash and the overdraft facility to meet its liabilities over the winter months.

Since the Covid-19 lockdown restrictions eased in April 2021 the Company has performed well and has become self-sufficient specifically now the JRS scheme and other Government Covid-19 support ceased. Whilst turnover is not back to pre-pandemic levels the net current liability position has continued to improve as a result of the current performance.

The Directors have prepared detailed forecasts and projections for a period of 12 months from the date of signing these financial statements. These forecasts and projections take into account the Director's best estimate of the current economic conditions including what they believe to be an accurate reflection of the tourism industry as we come through the other side of the global pandemic. In making these projections the Directors have taken a conservative approach to passenger numbers and to the rising costs to prepare for a worst case scenario. The 3 months trading to 30 April 2022 shows the Company are £75,000 ahead of budget in respect of net profit, confirming this prudent approach.

The Company continues to be supported by The Carriage and Wagon Trust who have agreed to defer repayment of the loan until there is sufficient cash within the Company. The Directors are grateful to a number of bond holders who have verbally agreed to defer repayment of their bonds to 31 March 2026, which otherwise would have required repayment in March 2023. Of these £463,000 bonds the forecasts show the Company intends to fully repay £321,000 (including interest) and roll over the remaining £167,000 (including interest). The Directors have received letters confirming that £96,000 of these bonds may be rolled over if necessary and are confident that more support would be available from existing or new bond holders should they be necessary to fund capital expenditure or working capital shortfalls, but have not obtained this at the time of signing these financial statements. In addition to this, the Directors have received verbal confirmation that bonds totalling £69,000 which fell due in 2021, will be rolled over for at least a further 2 years.

Whilst the projections appear to take into account all known factors there is still a risk that they will not match actual results. Rising costs of living and the impact on disposable income may adversely affect consumer confidence, which could cast doubt over the projected passenger numbers for the coming 12 months. The Directors are very optimistic that the Company would be able to meet its liabilities as they fall due, but with the uncertainty within the industry and the issue of bonds they cannot guarantee this at the point of signing these financial statements. As such, this represents a material uncertainty that may cast doubt on the Company's ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Having considered the Company's forecasts and projections and known events at the time of signing the financial statements, the Directors have concluded that they have more than a reasonable expectation that the Company can meet its liabilities and continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing these financial statements and the financial statements do not include any of the adjustments that would result if the Company was unable to continue as a going concern.

NORTH NORFOLK RAILWAY PLC

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

2. Accounting policies (continued)

2.3 Turnover

Turnover comprises revenue recognised by the company 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, turnover 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 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line or reducing balance methods.

Depreciation is provided on the following basis:

Land & buildings	- 0 - 12.5% straight line/reducing balance
Plant and machinery	- 0 - 25% straight line/reducing balance
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 25% straight line/reducing balance

Within land and buildings, land is not depreciated.

Within plant and machinery, locomotives and rolling stock are not depreciated.

Prior to the FRS 102 transition on 1 February 2014, the Sheringham Station purchase had been accounted for net of the Heritage Lottery grant received in 2002.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.5 Investments

Investments in unlisted company shares, which have been classified as fixed asset investments as the Company intends to hold them on a continuing basis are being held at cost less provision for impairment.

NORTH NORFOLK RAILWAY PLC

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

2. Accounting policies (continued)

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 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.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the 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 Company's cash management.

2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

2. Accounting policies (continued)

2.9 Financial instruments (continued)

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.10 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Income Statement in the same period as the related expenditure.

For Government grants intended to compensate for costs which span the year end, revenue is recognised as to match the proportion of compensated costs which have been incurred as at the balance sheet date.

2.12 Finance costs

Finance costs are charged to the Income Statement 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.

2.13 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

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

2. Accounting policies (continued)

2.14 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan 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 in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.15 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.16 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

NORTH NORFOLK RAILWAY PLC

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

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

Useful economic lives 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 reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Stock provisioning

The Company undertakes engineering work and is subject to customer demand. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated future usage of raw materials.

Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Deferral of grant income

The Company considers the correct basis upon which to defer grant income received in respect of capital projects. When assessing the correct period in which to recognise the grant income, management considers the accounting treatment of the asset to which the grant relates to, and match the treatment.

4. Turnover

The whole of the turnover is attributable to the company's activities.

NORTH NORFOLK RAILWAY PLC

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

5. Other operating income

	2022 £	2021 £
Covid grants - Heritage Lottery Fund	339,238	386,174
Net rents receivable	2,000	2,000
Covid grants - Government	80,636	374,867
	<u>421,874</u>	<u>763,041</u>

During the year, the Company was awarded £369,600 (2021: £360,000) from The National Lottery Heritage Fund as part of The Culture Recovery Fund for Heritage. The amount recognised in income for the year totals £328,458 (2021: £339,674). The remaining balance relates to capital expenditure and is included within deferred income. Income will be released to the profit and loss account in line with the depreciation on the assets to which it relates.

During the year, the Company received exceptional government funding as part of the Coronavirus Job Retention Scheme totalling £55,638 (2021: £330,496). Funding represents the costs of employing certain staff unable to carry out their duties as a result of the coronavirus crisis.

The Company also received a further £24,998 (2021: £44,371) of Local Authority Council Coronavirus grants.

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	142,930	135,819
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	16,850	16,600
- All other non-audit services not included above	2,100	2,000
- Taxation compliance services	1,550	1,000
Operating lease rentals	27,314	28,060
Defined contribution pension cost	16,045	15,934

NORTH NORFOLK RAILWAY PLC

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

7. Employees

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	1,006,835	1,036,668
Social security costs	83,317	80,811
Cost of defined contribution scheme	16,045	15,934
	<u>1,106,197</u>	<u>1,133,413</u>

The average monthly number of employees, including the directors, during the year was as follows:

2022 No.	2021 No.
<u>57</u>	<u>58</u>

8. Directors' remuneration

There were no directors (2021: 0) who received any remuneration during the year.

Transactions with directors are disclosed in note 24.

9. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	19,179	37,084
Bond interest payable	40,252	42,813
	<u>59,431</u>	<u>79,897</u>

NORTH NORFOLK RAILWAY PLC

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

10. Taxation

	2022 £	2021 £
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the year

The tax assessed for the year is the same as the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit/(loss) on ordinary activities before tax	195,062	(148,120)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	37,062	(28,143)
Effects of:		
Fixed asset differences	12,283	15,158
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	939	-
Non-taxable income	(1,911)	(7,214)
Capital gains	-	16,279
Other differences leading to an increase (decrease) in the tax charge	(10,660)	(23,599)
Deferred tax not recognised	(37,713)	27,519
Total tax charge for the year	-	-

Factors that may affect future tax charges

The company has estimated tax losses of £998,012 (2021: £1,248,001) available to carry forwards against future trading profits.

Deferred tax has been provided on the expected tax losses to be utilised in the next 12 months and in excess of the timing differences on capital allowances. At current corporation tax rates a potential deferred tax asset of £44,417 (2021: £82,130) has not been provided.

NORTH NORFOLK RAILWAY PLC

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

11. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 February 2021	3,825,583	1,743,362	27,690	5,596,635
Additions	49,765	86,618	-	136,383
Disposals	-	-	(15,195)	(15,195)
At 31 January 2022	<u>3,875,348</u>	<u>1,829,980</u>	<u>12,495</u>	<u>5,717,823</u>
Depreciation				
At 1 February 2021	1,255,155	1,002,759	22,667	2,280,581
Charge for the year on owned assets	83,421	58,251	1,258	142,930
Disposals	-	-	(12,492)	(12,492)
At 31 January 2022	<u>1,338,576</u>	<u>1,061,010</u>	<u>11,433</u>	<u>2,411,019</u>
Net book value				
At 31 January 2022	<u>2,536,772</u>	<u>768,970</u>	<u>1,062</u>	<u>3,306,804</u>
At 31 January 2021	<u>2,570,428</u>	<u>740,603</u>	<u>5,023</u>	<u>3,316,054</u>

Assets of substantial value are lent or made available to the company from time to time. Accordingly assets on the company's premises are not necessarily the property of the company.

Included in land and buildings is land at cost of £94,296 (2021: £105,894), which is not depreciated.

Included in land and buildings are heritage buildings at cost of £481,589 (2021: £481,589), which are not depreciated.

Included within land and buildings are assets at cost of £19,118 (2021: £20,452) which are not depreciated in respect of assets in the course of construction.

Included within plant and machinery are assets at cost of £37,762 (2021: £43,184) which are also not depreciated in respect of assets in the course of construction.

Including within plant and machinery are locomotives at cost of £246,278 (2021: £246,278) which are not depreciated.

NORTH NORFOLK RAILWAY PLC

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

11. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022 £	2021 £
Plant and machinery	278,353	286,693
Motor vehicle	-	3,605
	<u>278,353</u>	<u>290,298</u>

12. Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 February 2021	10,220
At 31 January 2022	<u>10,220</u>

13. Stocks

	2022 £	2021 £
Raw materials and consumables	116,314	104,313
Finished goods and goods for resale	26,437	18,175
	<u>142,751</u>	<u>122,488</u>

An impairment loss of £8,444 (2021: £8,248) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

NORTH NORFOLK RAILWAY PLC

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

14. Debtors

	2022 £	2021 £
Trade debtors	26,063	43,436
Other debtors	24,768	2,959
Prepayments and accrued income	59,347	87,785
	<u>110,178</u>	<u>134,180</u>

An impairment loss of £Nil (2021: £Nil) was recognised against trade debtors.

15. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	4,319	4,262
Less: bank overdrafts	(174,725)	(301,625)
	<u>(170,406)</u>	<u>(297,363)</u>

16. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank overdrafts	174,725	301,625
Bank loans	23,722	22,908
Trade creditors	102,234	82,796
Other taxation and social security	21,827	17,714
Other creditors	84,776	231,433
Accruals and deferred income	85,754	78,754
	<u>493,038</u>	<u>735,230</u>

NORTH NORFOLK RAILWAY PLC

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

17. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Bank loans	203,981	228,020
Other creditors	882,047	881,967
Accruals and deferred income	1,179,445	1,154,207
	<u>2,265,473</u>	<u>2,264,194</u>

Secured loans

The bank overdraft facility is secured by a legal charge over the freehold property of the Company.

Included within other creditors are amounts which are secured upon assets to which they relate.

Included within deferred income is £1,118,302 (2021: £1,085,206) which relates to grant income of a capital nature on completed projects being amortised in line with the economic lives of the assets to which the grants relate. The figure relates to the amortisation of completed projects due to be amortised in over one year, of which £682,799 (2021: £682,799) is not being amortised as it relates to non-depreciating assets.

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

On 25 September 2020 the Company received a 100% Government-backed Bounce Back loan of £50,000 with an interest rate of 2.5%. The loan is to be repaid over a period of 6 years. No capital or interest payments were due in the first 12 months.

NORTH NORFOLK RAILWAY PLC

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

18. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Bank loans	23,722	22,908
Amounts falling due 1-2 years		
Bank loans	31,195	29,575
Amounts falling due 2-5 years		
Bank loans	91,267	88,725
Amounts falling due after more than 5 years		
Bank loans	81,519	109,720
	<u>227,703</u>	<u>250,928</u>

Bonds

In accordance with note 25, the Company has issued the following bonds, including accrued interest, which are due for repayment as follows:

28 February 2023	£463,080
31 July 2023	£35,000
31 October 2023	£44,130
28 February 2024	£242,717
31 May 2024	£13,826
31 August 2024	£21,000

Post year end, and as part of the Director's review of going concern, the Directors have received assurance that £167k, including accrued interest up to the date of roll over, of the £463k bonds due on 28 February 2023 have been rolled over and will now fall due on 28 February 2026.

NORTH NORFOLK RAILWAY PLC

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

19. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
857,742 (2021 - 824,823) Ordinary shares of £1 each	857,742	824,823

During the year, the Company issued 32,919 ordinary £1 shares at par (2021: 55,890 ordinary £1 shares at par).

The Company allots its shares in accordance with the prospectus issued on 18 October 1995. The purpose is to raise funds to ensure that the North Norfolk Railway Public Limited Company can continue to develop and to re-create for present and future generations the experience of a British branch line railway operation with steam and vintage diesel locomotives, and enhance its facilities.

The members of the Company are not entitled to participate in the profit of the Company by way of dividends or otherwise. If upon winding up or dissolution of the Company there remains, after satisfaction of all its debts and liabilities, any property whatsoever this may not be distributed amongst the members. Premises or assets shall instead be given or transferred to other institutions having similar objectives to the Company, and who share the above restrictions on distribution of profits and assets to their members.

20. Reserves

Profit and loss account

The profit and loss account includes all current and prior period retained profit and losses.

21. Contingent liabilities

The Heritage Lottery grant of £188,317 received 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.

22. Pension commitments

The Company 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 £16,045 (2021: £15,934).

The amount owed to the scheme at the year end amounted to £Nil (2021: £2,510).

NORTH NORFOLK RAILWAY PLC

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

23. Commitments under operating leases

At 31 January 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Land & buildings		
Not later than 1 year	8,350	8,350
Later than 1 year and not later than 5 years	33,400	33,400
Later than 5 years	6,958	15,308
	<u>48,708</u>	<u>57,058</u>
	2022 £	2021 £
Other operating leases		
Not later than 1 year	18,167	19,667
Later than 1 year and not later than 5 years	860	15,527
	<u>19,027</u>	<u>35,194</u>

24. Related party transactions

From time to time, individual directors may have been remunerated for specific professional services agreed by the board. All transactions with directors are on an arms length basis.

	2022 £	2021 £
Payments for consultancy services	34,272	24,620
	<u>34,272</u>	<u>24,620</u>

The total key management personnel (including directors) compensation amounted to £34,272 (2021: £24,620).

NORTH NORFOLK RAILWAY PLC

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

Midland and Great Northern Joint Railway Society

At the year end, 263,308 of the issued share capital of the company was held by the Midland and Great Northern Joint Railway Society, making it the largest shareholder of the company. The following directors holding office at the year end are also directors of the Midland and Great Northern Joint Railway Society:-

A Dewey
N Sharpe
A Barrs

The Company was also party to the following transactions with the Midland and Great Northern Joint Railway Society:-

	2022 £	2021 £
Hire of locomotives to the Company and sundry items	108,390	64,128
Engineering services to the Society and sundry items	60,338	131,221
Sale of assets by the Company	-	162,272
Investment in 3 year 5% bonds issued by the Company	30,000	30,000
Bond IV interest loaned at 1% owed by the Company	1,803	4,737
Trade creditors owing to the Society at the year end	8,416	-
Trade debtors owing to the Company at the year end	8,400	-

25. Bonds issued

Included in other creditors are amounts received from directors of the Company, in the prior year, for bonds issued by the Company commencing 1 March 2020. The term of the bonds issued are for a period of three years effective from 1 March 2020. The bonds have fixed interest rates of 5%. Interest will accrue over the term of the bond and will be payable to the bondholder by the Company at the end of the term. No bonds were issued to directors in the year ended 31 January 2022. The following bonds, including interest, were owing at 31 January 2022.

	2022 £	2021 £
B Denton	39,233	34,773
S Allen	6,003	5,464
A Dewey	11,007	10,000
H Harkett	22,014	20,000
R Wright	7,217	6,557
	<u>85,474</u>	<u>76,794</u>