

03355411

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY



Registered Office: Sheringham Station, Sheringham, Norfolk, NR26 8RA
A Company Limited by Guarantee Registered No. 3355411
Registered Charity No. 1063676/0

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**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019**

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

Reference and Administrative Details Company Information

Board of Trustees (Directors)

N Sharpe (Chairman)
K R Ashford
A M Barrs
A E Dewey
D C Greeno
P W Mayne
N A Scarlett
R H Spicker
G Wigglesworth

Company Secretary

A E Dewey

Registered Office

Sheringham Station
Sheringham
Norfolk, NR26 8RA

Registered Company Number

03355411

Registered Charity Number

1063676/0

Working Names

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

Independent Examiner

Adrian Doggett
Websters Cambridge Limited
Sumpter House
8 Station Road, Histon
Cambridge, CB24 9LQ

Bankers

Lloyds Bank plc
1 West Street, Cromer
Norfolk, NR27 9HZ

Barclays Bank plc
P O Box 1, Banbury
Oxon, OX16 8PS

Paypal

Ballycoolin Industrial Estate
Dublin 15, Ireland

CCLA Investment Management Ltd

Senator House
85 Queen Victoria Street
London, EC4V 4ET

REPORT OF THE BOARD OF TRUSTEES

The directors of the company, who are also charity trustees for the purposes of charity law, have pleasure in presenting their report and the financial statements for the year ended 31 January 2019.

Objectives and Activities

Objectives

The Society's principle objective is to advance public education by the acquisition, restoration, preservation and exhibition of locomotives, rolling stock and other railway artefacts and, in particular, those of the former Midland & Great Northern Joint Railway (M&GNJR) and its antecedent and successor companies. Its vision for the foreseeable future is to focus on the geographical area of the M&GNJR and other aspects of East Anglian railway history by means of this mission statement (reaffirmed in 2018 in 2018-2023 Strategic Plan):

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

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* at Holt for the display of other 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 for suitable small heritage projects undertaken by the NNR or by others where they are appropriate to the Society's objectives.

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 operate on around 260 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 hauling carriages owned by the NNR but occasionally, particularly at special events, visitors may also travel in the Society's preserved operational 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.

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.

REPORT OF THE BOARD OF TRUSTEES – Continued

Public Benefit

The Society aspires to be a professional charitable organisation, adding historical value to the knowledge of the general public about the “M&GNJR” and East Anglian railways in general, in a manner which is both educational and fun for its members and the general public.

In the exercise of its powers in relation to its objectives and missions, the Board of Trustees has paid due regard to the published guidance from the Charity Commission on the operation of the Public Benefit requirements under the Charities Act 2011.

Volunteers

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

Achievements and Performance

Summary of the Main Achievements

Restoration – Significant progress was made on GER Brake 2nd No. 853 which is now expected to join the Vintage Train this summer. Restoration of the interior of newly-acquired Thompson BTK 1866 commenced.

Operation – The heatwave and drought which caused the severe fire risks last summer seriously affected the NNR’s steam operations with many diesel substitutions. This in turn impacted the Society’s steam turns with the B12 achieving only 55 (2017 102), the Y14 42 (2017 52) and the WD 46 (2017 37 from June only). Fortunately, the B12 had been away for galas at the Great Central Railway and Severn Valley Railway early in 2018 which helped mitigate the summer losses. *Wissington* only had one revenue-earning turn on the NNR but was at the Colne Valley Railway to work trains through spring and early summer before moving to Beamish Museum for the peak summer season. Total ‘away’ turns in 2018 were 62 compared with 11 in 2017.

Maintenance and overhauls – There were no steam loco overhauls underway in the period but the B12 required crosshead and fire box repairs, the WD needed new drawbars forged and machined while *Wissington* was prepared right at the year-end for wheelsets overhaul and new tyres. The Class 31 bodywork repairs continued on and off throughout the year but it has been painted. As of 31 January a new water tank remained to be sourced for the train steam heat boiler which is already installed but which requires piping-up.

In carriages and wagons, the Gresley Buffet received new side panels and beading plus a complete re-paint and the Quad Set received new brake blocks, re-roofing with painting and bodywork varnishing.

Museum – Visitors to the *William Marriott Museum* reached 19,516 compared with 20,222 in 2017, the downturn caused by the restricted steam train service during the heat wave and drought.

Other education – *Joint Line* maintained its high standards as a quality quarterly journal. *Norfolk’s Railways 1927 – 1966* continued to sell well into this financial year and achieved £5,687 by the year end.

Grants were awarded to the NNR in respect of new Sheringham station heritage signs and the re-signalling project with particular reference to the restoration and installation of the Brandon signal box lever frame.

Legacies and a benefaction enabled the acquisition of class O8 diesel shunter no. D3935 to ensure its continued operational availability on the NNR. Similarly and with a contribution from Heritage Coach Fund, the Society was able to acquire Thompson BTK no. 1866 for renovation into a first open saloon with disabled access.

Fundraising – members and other supporters continued to contribute to various clubs and projects, providing valuable funds to enable the Society to undertake activities in pursuit of its charitable objectives.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

REPORT OF THE BOARD OF TRUSTEES – Continued

Financial Review

The results for the year are set out in the attached financial statements from page 8 onwards. Total incoming resources amounted to £304,029 (2018 £349,527) which, after total expenditure of £223,173 (2018 £233,127) resulted in a surplus before transfers and investments of £80,856 (2018 £116,400). At the end of the period, the Society had net assets of £1,790,916 (2018 £1,710,060)

In the last two financial years, the Society has received significant cash legacies totalling some £105,000 from three deceased members. Therefore, the Trustee Board was very surprised in December 2018 to learn that the Society was named as the residuary beneficiary in the Will of another deceased member. Subsequent to the financial year end, the Board has been advised that the net value of this estate is in the region of £1m before realisation of the assets, settlement of liabilities and costs, including legal costs. There is a single pecuniary legacy of £100,000 to another charity. Further details are disclosed in note 17 Post Balance Sheet Events.

General Fund is the sole purely unrestricted fund. The income amounted to £129,623 with expenditure of £80,675 and net transfers to/from other funds of £115,280 (see notes 12 and 13). Members' subscriptions raised £59,495 (including Gift Aid) to meet the Society running costs of £54,049, including *Joint Line*, asset insurance, premises, equipment, storage, administration and governance. Weybourne shop contributed £11,299 gross margin from sales of purchased goods. Donations (including Gift Aid), bequests, museum entry fees, interest received and sundry income produced £53,003, including three legacies amounting to £44,127.

Designated funds have purposes determined by the Board but these could be changed if considered appropriate. Because of this, they are classified as unrestricted in the Statement of Financial Activities and on the Balance Sheet. Details of these funds, their income and expenditure, balances and purposes are shown in note 11.

Restricted funds are for specific purposes enabling donors, who provide the majority of the income, to direct their donations to the funds in the knowledge they will only be spent on the specified purpose. Details of these funds are shown in note 10. The majority of funds are for locomotives and carriages and wagons restoration and maintenance but also a museum operating fund (which receives visitors' donations), a fund for developing Holt Goods Yard (also receives donations), a fund for the Heritage Lottery funded carriage sheds (the expense being the depreciation of the sheds' costs) and a fund for small grants (which receives donations).

Endowment Fund holds no cash and represents the acquisition values of NNR shares and heritage assets. All funds maintained positive balances at 31 January 2019 (2018 all positive).

Reserves Policy and Going Concern

The Board of Trustees is aware of the need to maintain as a minimum sufficient unrestricted free reserves to meet ongoing direct and administrative expenditure for a minimum period of at least 12 months. At 31 January 2019 the balance on General Fund is £310,451 of which approximately £212,000 is represented by free reserves. This is more than adequate for the Society's average annual running costs referred to above and so the Board considers its minimum free reserves policy is being achieved and the Society is a going concern.

However, the Board is also aware of the need to generate additional unrestricted free reserves to help meet the costs of specific restoration and ongoing maintenance projects when there are insufficient specific funds. General Fund has provided funds towards steam loco overhaul costs in previous years and it has contributed £15,300 to the Class 31 overhaul costs in 2018-19 and the £31,000 costs to date of its steam heat boiler.

Investment Policy

Cash is held in current and deposit accounts with the Society's banks except for that not required in the 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 prospect of the new large legacy mentioned above, the trustees are reviewing the policy and seeking appropriate investment advice. Other investment is in NNR shares and bonds which are explained elsewhere in this report.

REPORT OF THE BOARD OF TRUSTEES – Continued

Risks and Uncertainties

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

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

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

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.

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.

REPORT OF THE BOARD OF TRUSTEES – Continued

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, Treasurer, Society Secretary and Company Secretary are regarded as senior staff and comprise an informal Executive Board to deal with relevant matters as required.

Relationships with related parties

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

Shares have been subscribed for in the NNR, which is not a charity, as part of the strategic alliance between the two organisations. The Society, which is the major shareholder, is able to appoint up to three Board members to the NNR Board and has other members on strategic committees which helps to strengthen the partnership. This investment has been made purely for the purpose of assisting that company to enhance facilities and equipment, creating a more secure and appropriate base for the Society's assets and a venue to enable the Society to exhibit its assets to the public. No financial return is anticipated, as the NNR does not have authority under its Articles of Association to pay dividends. However, investments in NNR Bonds in February 2014 and January 2017 for a similar purpose do earn interest.

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

The Society and NNR are related parties and details of transactions etc. are shown in note 7 to the accounts.

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

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

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

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

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 U K and Republic of Ireland and applicable law. The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of the incoming resources and application of resources, including income and expenditure, of the charitable company for the financial year. In preparing those financial statements, the Board is required to:

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

REPORT OF THE BOARD OF TRUSTEES – Continued

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

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

Members of the Board of Trustees

Members of the Board of Trustees, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year to 31 January 2019 were:

N Sharpe	Chairman	P W Mayne
K R Ashford		N A Scarlett
A M Barrs	Vice Chairman	R H Spicker Society Secretary
A E Dewey	Treasurer & Company Secretary	G Wigglesworth
D C Greeno		

Pursuant to Article 37 A E Dewey and D C Greeno, being age 70 or over, are subject to annual re-election and offer themselves for such.

Pursuant to Articles 36 and 38 one-third of the remaining directors, P W Mayne and G Wigglesworth retire and being eligible offer themselves for re-election at the forthcoming Annual General Meeting.

As at 31 January 2019 N Sharpe, A M Barrs and A E Dewey 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 with the NNR. These include directors, officers and trustees liability, including professional indemnity, cover and the estimated indemnity premium for Society board members is £115 (2018 £110), being a proportion of the total premium £1,036 (2018 £1,017).

Independent Examiner

Websters Cambridge Limited were appointed Independent Examiner at the 2018 Annual General Meeting and the Board of Trustees has again elected to dispense with an audit for these financial statements.

Exemption Statement

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 applicable to smaller companies subject to the small company regime.

N Sharpe
Chairman
18 May 2019

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

**STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JANUARY 2019**

	Note	Unrestricted funds £	Restricted funds £	Endow- ment fund £	2019 Total £	2018 Total £
Income and endowments from:						
Members' subscriptions		59,495	-	-	59,495	58,679
Support clubs		-	9,037	-	9,037	9,349
Donations, gifts and bequests	3	47,364	32,034	-	79,398	107,531
Shop sales, including publications		17,125	24,254	-	41,379	42,867
Locomotive and rolling stock hire fees		88,850	18,005	-	106,855	124,590
Museum entry fees		2,057	-	-	2,057	2,055
Bank and other interest		2,898	746	-	3,644	2,194
Other income		1,164	1,000	-	2,164	2,262
Total	4	<u>218,953</u>	<u>85,076</u>	<u>-</u>	<u>304,029</u>	<u>349,527</u>
Expenditure on:						
Journal publishing		18,852	-	-	18,852	17,745
Support clubs		-	2,753	-	2,753	3,033
Shop goods sold and direct sale costs		5,826	1,842	-	7,668	12,214
Collection maintenance and operating		20,229	56,571	-	76,800	99,010
Collection restoration and additions		-	7,868	-	7,868	7,947
Grants paid		19,259	-	-	19,259	3,600
Premises, collection, etc. insurance		7,525	-	-	7,525	7,547
Marketing		110	-	-	110	414
Events and fundraising		199	-	-	199	3,018
Premises, equipment and storage		13,974	445	-	14,419	12,375
BACS and credit card processing		711	-	-	711	829
Membership and other administration		5,193	12	-	5,205	5,708
Subscriptions and donations		60	188	-	248	1,601
Depreciation and amortisation		48,040	7,868	-	55,908	51,737
Governance		5,414	-	-	5,414	6,101
Miscellaneous expenses		234	-	-	234	248
Total	4	<u>145,626</u>	<u>77,547</u>	<u>-</u>	<u>223,173</u>	<u>233,127</u>
Net income	3&4	73,327	7,529	-	80,856	116,400
Transfers between funds	13	(116,097)	(10,700)	126,797	-	-
Net Movement in Funds		<u>(42,770)</u>	<u>(3,171)</u>	<u>126,797</u>	<u>80,856</u>	<u>116,400</u>
Total Funds brought forward		886,514	521,637	301,909	1,710,060	1,593,660
Total Funds carried forward		<u>843,744</u>	<u>518,466</u>	<u>428,706</u>	<u>1,790,916</u>	<u>1,710,060</u>

All amounts relate to continuing activities.

There are no recognised gains or losses other than the result for the year.

Historical cost surpluses and deficits are identical to those shown above.

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

BALANCE SHEET AS AT 31 JANUARY 2019

	<i>Notes</i>	<i>2019</i> £	<i>2018</i> £
Fixed Assets			
Heritage assets	5	422,515	394,865
Tangible assets	5	394,905	406,658
Investments	6	296,013	294,263
Total fixed assets		<u>1,113,433</u>	<u>1,095,786</u>
Current Assets			
Stocks		58,412	64,387
Debtors	8	60,529	107,855
Cash at bank and in hand		566,656	475,646
Total current assets		<u>685,597</u>	<u>647,888</u>
Liabilities			
Creditors: Amounts falling due within one year	9	8,114	33,614
Net current assets		<u>677,483</u>	<u>614,274</u>
Total assets less current liabilities/net assets		<u><u>1,790,916</u></u>	<u><u>1,710,060</u></u>
Funds of the charity			
Endowment fund	13	428,706	301,909
Restricted income funds	10	518,466	521,637
Unrestricted funds	11&12	843,744	886,514
Total charity funds		<u><u>1,790,916</u></u>	<u><u>1,710,060</u></u>

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

The Board of Trustees acknowledges its responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 January 2019 and of its net income for the year then ended in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to the financial statements so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Charities SORP for the Financial Reporting Standard applicable in the UK and Republic of Ireland – FRS 102 SORP.

The financial statements were approved by the Board of Trustees on 18 May 2019 and signed on its behalf by:

N Sharpe – Chairman

A E Dewey

A E Dewey - Treasurer

The notes on pages 10 to 19 form part of these financial statements which comprise the Statement of Financial Activities (incorporating Income and Expenditure), Balance Sheet and Notes thereto.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2019

1. Accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are prepared in sterling, which is the functional currency of the society.

Group accounts

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

Income

Subscriptions, donations etc., income from support clubs, shop and other sales, museum entry fees are included upon receipt. Locomotive steaming and rolling stock hire fees represent fees earned during the period exclusive of VAT. Grants, legacies and bequests are included at the point of receipt or are accrued for if awarded or notified by the end of the period. Gift Aid tax reclaimed is included as received during the period and if claims have been lodged but not settled after the end of the period. 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 NNR bonds. Wholesale educational publishing sales are included at the point of invoicing.

Expenditure

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

Tangible Fixed Assets (including Heritage Assets) and Depreciation

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

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

Depreciation is only charged on these historic artefacts and items where the carrying value is considered to be greater than the residual value. For operational heritage assets, depreciation is provided at the rate of 10% straight line as it is also on locomotive boilers. Other items are depreciated on a straight line basis as follows: storage facilities 10%, office equipment 33⅓%, shop equipment 10%, museum fittings and equipment 10% and carriage sheds 2%.

Annual impairment reviews of all tangible assets, except the Museum Collection, are carried out at the time of preparation of the financial statements and coinciding with the review of sums assured for insurance purposes.

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.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2019 continued

Investments

Investments are included at market value except for those not listed on a recognised stock exchange and subsidiary undertakings which are included at cost or par value.

Intangible Income

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

Fund Accounting

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

Stock

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

In-house produced educational publications are not valued for stock purposes at the end of the year of publication or subsequently as they are considered as 'back issues' with less sales potential.

Donated items for sale are not valued upon receipt or at the year-end due to the large volume of items received and which would be onerous to count and value with limited volunteer resources and in any case most sell fairly quickly and it is considered that the aggregate value at selling price remains reasonably constant.

Cash at bank and in hand

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

Creditors and provisions

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

Financial instruments

The society only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2019 continued

2. Status

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

3. Net income before transfers

This is stated after charging/crediting:

	2019	2018
	£	£
• Depreciation	55,908	51,737
• Independent Examiner's remuneration	1,990	1,930
• Expenses reimbursed to Board Members*	6,520	3,071
• Operating lease rentals	10,623	6,320
• Cash donations	79,148	106,268
• Donations of shares	<u>250</u>	<u>1,263</u>
• Donations, gifts and bequests	<u>79,398</u>	<u>107,531</u>

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

* Expenses reimbursed to board members relate to supplies of materials, spare parts and fuel used in the restoration and operation of heritage assets, Companies House fees and sundry administration. In all cases the suppliers are those with which the Society does not have credit accounts. The number of trustees reimbursed expenses was 4 (2017 3).

Trustees and members of their families make unconditional donations to the Society, either by way of regular monthly payments or occasional lump-sums to support projects and public appeals. The aggregate total of such specifically identified donations from trustees and related parties in 2018-19 was £435 (2017-18 £519). There may have been additional unidentified donations placed in collecting boxes located at the Society's shop and museum.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2019

continued

4. Statement of Financial Activities Corresponding Amounts

	Unrestricted Funds		Restricted Funds		Total Funds	
	2019	2018	2019	2018	2019	2018
	£	£	£	£	£	£
Income and endowments from:						
Members' subscriptions	59,495	58,679	-	-	59,495	58,679
Support clubs	-	-	9,037	9,349	9,037	9,349
Donations, gifts and bequests	47,364	65,866	32,034	41,665	79,398	107,531
Shop sales, including publications	17,125	19,276	24,254	23,591	41,379	42,867
Locomotive and rolling stock fees	88,850	118,465	18,005	6,125	106,855	124,590
Museum entry fees	2,057	2,055	-	-	2,057	2,055
Bank and other interest	2,898	1,809	746	385	3,644	2,194
Other income	1,164	1,000	1,000	1,262	2,164	2,262
Total	218,953	267,150	85,076	82,377	304,029	349,527
Expenditure on:						
Journal publishing	18,852	17,745	-	-	18,852	17,745
Support clubs	-	-	2,753	3,033	2,753	3,033
Shop goods sold and direct sale costs	5,826	9,995	1,842	2,219	7,668	12,214
Collection maintenance and operating	20,229	55,829	56,571	43,181	76,800	99,010
Collection restoration and small additions	0	243	7,868	7,704	7,868	7,947
Grants paid	19,259	3,600	-	-	19,259	3,600
Premises, collection, etc. insurance	7,525	7,547	-	-	7,525	7,547
Marketing	110	150	-	264	110	414
Events and fundraising	199	2,730	-	288	199	3,018
Premises, equipment and storage	13,974	11,999	445	376	14,419	12,375
BACS and credit card processing	711	829	-	-	711	829
Membership and museum admin.	5,193	5,652	12	56	5,205	5,708
Subscriptions and donations	60	1,420	188	181	248	1,601
Depreciation and amortisation	48,040	43,869	7,868	7,868	55,908	51,737
Governance	5,414	6,101	-	-	5,414	6,101
Miscellaneous expenses	234	248	-	-	234	248
Total	145,626	167,957	77,547	65,170	223,173	233,127
Net income	73,327	99,193	7,529	17,207	80,856	116,400
Transfers between funds	(116,097)	24,783	(10,700)	(26,046)	-	-
Net Movement in Funds	(42,770)	123,976	(3,171)	(8,839)	80,856	116,400
Total Funds brought forward	886,514	762,538	521,637	530,476	1,710,060	1,593,660
Total Funds carried forward	843,744	886,514	518,466	521,637	1,790,916	1,710,060

Endowment Fund is not shown above but the amounts are: Transfers between funds 2019 £126,797 (2018 £1,263), Total Fund brought forward 2019 £301,909 (2018 £300,646) and Total Fund carried forward 2019 £428,706 (2018 £301,909).

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2019
continued

5. Tangible Fixed Assets

	Collection Assets	Locomotive Boilers	Heritage Assets Total	Leasehold Buildings	Fixtures, Fittings & Equipment.	Tangible Assets Total	Total
	£	£	£	£	£	£	£
Cost at start of year	393,786	433,372	827,158	498,393	41,868	540,261	1,367,419
Additions in year	71,417	-	71,417	-	398	398	71,815
Disposals during year	(10)	-	(10)	-	-	-	(10)
Cost at end of year	465,193	433,372	898,565	498,393	42,266	540,659	1,439,224
Depreciation at start of year	300,000	132,293	432,293	104,173	29,430	133,603	565,896
Charge for year	-	43,757	43,757	10,043	2,108	12,151	55,908
Disposals during year	-	-	-	-	-	-	-
Depreciation at end of year	300,000	176,050	476,050	114,216	31,538	145,754	621,804
Net book value at end of year	165,193	257,322	422,515	384,177	10,728	394,905	817,420
Net book value at start of year	93,786	301,079	394,865	394,220	12,438	406,658	801,523

Collection assets (and their cost/net book value) comprise historical locomotives (£399,555/£99,555), carriages and wagons (£51,732/£51,732), a road vehicle (£9,739/£9,739) and artefacts/collections (£4,167/£4,167) held for preservation and educational purposes. Locomotives and some carriages and wagons are included at cost of acquisition; no value is included for donated items as this is usually not available. The ages range from about 50 to 130 years. Locomotives and some other rolling stock are operational subject to completion of restoration or overhaul; the remainder is for static or museum display. Locomotive boilers are components related to the historical locomotives.

Summary Analysis of Heritage Asset Transactions

	2019	2018	2017	2016	2015	2014
		£	£	£	£	£
Purchases & capitalisation:						
Locomotives* and boilers	*35,000	13,850	29,168	39,458	85,545	101,022
Carriages and wagons	35,000	-	-	-	1,750	-
Other collection items	1,417	-	1,806	-	9,739	-
Charge for depreciation:						
Locomotives	-	-	-	30,000	30,000	30,000
Locomotive boilers	43,757	39,559	24,901	24,903	14,310	14,310
Disposals carrying amounts:						
Locomotives	-	-	-	-	-	-
Carriages and wagons	10	-	-	-	-	-
Proceeds from disposals:						
Locomotives	-	-	-	-	-	-
Carriages and wagons	1,000	-	-	-	-	-

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2019

continued

6. Investments

Investments include Ordinary Shares of £1 each in North Norfolk Railway PLC, an unlisted public company. Share purchases have in every case been at par. In addition, the Society has added to its shareholding by accepting gifts and bequests of shares from members and others and these are included at par.

At 31 January 2018 the total number of shares purchased was 214,090 and the total shareholding was 263,263. During the year the Society was gifted 250 shares. At 31 January 2019 the total number of shares purchased was 214,090 and the total shareholding including gifted shares was 263,513. The Society is the largest single shareholder owning approximately 34.6% (2018 34.8%) of the issued share capital.

In February 2014 the Society invested £20,000 in NNR 'Bonds I'. The term was 3 years at 6% compound interest accrued annually with £3,820 received at maturity in February 2017. The nominal value of £20,000 was rolled-over into a third Bond issue in combination with a £10,000 new investment in January 2017. The term is 3 years at 5% compound interest accrued annually, the amount for year 1 at February 2018 being £1,500.

Subsidiary Undertaking – Midland & Great Northern Heritage Ltd. (Company number 04009464)

The Society holds 1,000 ordinary £1 shares, being 100% of the issued and authorised share capital. The company was set up to undertake non-charitable trading activities but is not currently trading.

The total of these investments at 31 January 2019 is £296,013 (2018 £294,263).

7. Related Parties

During the year sales to NNR were £105,046 (2018 £111,334) and purchases from them £59,450 (2018 £105,294) excluding shares. At the year-end NNR owed the Society £4,603 (2018 £32,044) and the Society owed NNR £4,611 (2018 £25,727). The figures exclude VAT. The Society made a grant of £9,259 for new heritage signage at Sheringham station and £10,000 for Sheringham re-signalling.

There are leases in place between the NNR and the Society in respect to its Museum Building and Carriage Sheds with provision for peppercorn ground rents payable by the Society to the NNR.

The Society's approximately 34.6% (2018 34.8%) proportions of the Share Capital and profits of the NNR are:

	2019		2018	
	£	%	£	%
Share Capital	263,513	34.6	263,263	34.8
Profit and loss account	5,741	34.6	2,439	34.8
Net profit/(loss) for the year	3,316	34.6	(71,551)	34.8

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

During the year FHP Engineering Services Solutions Limited was paid £497 (including VAT) for engineering project validation services in respect of a Society locomotive modification. The services were undertaken by K Ashford, an employee of FHP but who has no other interests in that company.

During the year DC Web Hosting Ltd and DC RailTech Ltd, businesses of which D Greeno is the proprietor, was paid respectively £280 (including VAT) for domain registration and webhosting services and £130 (including VAT) for the supply of an electrical part for a Society locomotive.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2019 continued

8. Debtors

	2019	2018
	£	£
Trade Debtors	4,647	33,708
Other Debtors	11,570	51,523
Prepayments	44,312	22,624
	<u>60,529</u>	<u>107,855</u>

9. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade Creditors	5,247	26,438
Accruals	2,065	6,374
Amount due to subsidiary	802	802
	<u>8,114</u>	<u>33,614</u>

10. Restricted Funds : movement in the year

	Balance at beginning of year £	Income £	Expenditure £	Transfers £	Balance at end of year £
Loco Club (all locos)	54,297	19,179	-	(10,000)	63,476
J15	1,178	4,211	1,310	-	4,079
B12	1,695	3,902	1,443	(2,000)	2,154
WD	6,415	1,290	-	(4,000)	3,705
Wissington	38,455	16,700	4,278	-	50,877
31 Fund (Class 31)	10,241	23,870	44,193	15,300	5,218
Diesel Club	7,320	1,800	-	-	9,120
Heritage Coach Fund	32,081	8,270	11,719	(10,000)	18,632
Quad Art Set	7,110	83	4,783	-	2,410
Museum	41,576	5,441	1,953	-	45,064
Holt Development	3,519	330	-	-	3,849
Carriage Sheds	314,682	-	7,868	-	306,814
Society Grants	3,068	-	-	-	3,068
	<u>521,637</u>	<u>85,076</u>	<u>77,547</u>	<u>(10,700)</u>	<u>518,466</u>

The income of the funds relates to donations, other contributions, shop retail and donated sales and bank interest, except for *Wissington* and 31 Fund to which the Trustees have also designated the locomotives' 'steaming fees' of £16,005 and £nil this year respectively and Heritage Coach Fund rolling stock hire £2,000.

Loco Club - At 31 January 2019 the fund balance of £63,476 is attributable as follows: General (all locos) £21,476; J15 £6,357, B12 £2,746, B12 W1500 £24,987, WD £3,809, *Wissington* £3,345 and Class 31 £756.

During the year Loco Club has contributed £10,000 to 'Loco Pot' towards the maintenance costs of the B12 and WD, being £5,000 from the General (All Locos) section for the B12, £700 from the B12 Section and £4,300 from the WD section.. No contributions have been made to other locos in this financial year.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2019 continued

11. Designated Funds : movement in the year

	Balance at beginning of year £	Income £	Expenditure £	Transfers £	Balance at end of year £
'Loco Pot'	359,157	89,330	62,951	30,189	415,725
Locomotive Boilers	56,757	-	-	(14,189)	42,568
Operation Phoenix	77,000	-	2,000	-	75,000
Museum Fit-out	138	-	-	(138)	-
Special Projects	16,679	-	-	(16,679)	-
	<u>509,731</u>	<u>89,330</u>	<u>64,951</u>	<u>(817)</u>	<u>533,293</u>

The Trustees have established a steam locomotive fund ('Loco Pot') which receives the steaming fees of the B12, J15/Y14 and WD when operational. This fund will help 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.

Locomotive Boilers fund was established in 2013-14 (retrospectively from 2012-13) as part of the steam locomotive boiler capitalisation policy. The fund represented at 1 February 2012 £141,891 raised by B12 clubs' members and other donors specifically for the overhaul of the boiler which cost £143,101 and is being reduced in line with the depreciation of that cost.

The Operation Phoenix appeal raised funds for development at Holt station and the Trustees decided to use the Society's share for the lease premium on the 'William Marriott Museum' building. As the original purpose of this donation has been satisfied and there are no conditions governing the use of the asset, the Trustees decided in 2007 to create a designated fund which is being reduced in line with the amortisation of the asset.

With the written consent of the donors, the residue of funds over and above those used for the lease premium (£4,352) and continuing donations have been transferred to a restricted fund 'Holt Development'. This will help fund the development of Holt Goods Yard in line with the spirit of the original Operation Phoenix Appeal.

The NNR provided £10,052 in-kind towards the Museum fitting-out costs. Further small grants have subsequently been received from other bodies towards additional fitting-out costs. These have been credited to a designated fund and are being released to general funds over a period of ten years in line with depreciation. The total amount credited to the fund has been fully released to General Fund by 31 January 2019.

Special Projects fund was created from a £40,000 unconditional donation by a private trust in July 2014. The Trustees decided to designate it towards new special projects with part educational themes. Since then £9,739 has been spent on acquiring and renovating an Austin K2 lorry to be used for goods transport displays, static exhibit and as a learning and maintenance project for the NNR's Young Volunteers' Club, £6,155 for the construction and installation of the lorry garage, £2,943 on restoration of a donated lampman's hut for use on the NNR., £5,000 for the WD nameplate and naming event costs and £16,000 towards the purchase cost of Thompson BTK coach No. 1866. The £679 residual balance has been transferred to General Fund at 31 January 2019 to close the fund.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2019 continued

12. Unrestricted Fund : movement in the year

	Balance at beginning of year £	Income £	Expenditure £	Transfers and Investment £	Balance at end of year £
General Fund	376,783	129,623	80,675	(115,280)	310,451

13. Transfers between funds

Endowment Fund – This is not a cash fund and has traditionally been represented by the Society's share investments in the NNR and M&GN Heritage Ltd plus the majority of the heritage assets, although many of the latter have low historical acquisition costs or no acquisition value at all. A few heritage assets, including the WD steam locomotive, have been represented in General Fund which provided the cash for purchase. With the acquisition in this financial period of the Class O8 diesel shunter and Thompson BTK coach, the Trustees decided that all heritage assets should be represented in Endowment Fund. They believe this demonstrates the strategic permanency of the Society's ownership of them as they are unlikely to be sold or otherwise disposed of other than in exceptional circumstances. Similarly, they decided that the investment in NNR shares should continue to be represented in Endowment due to the permanent nature and purpose of these in the pursuit of the charitable objectives as explained in note 7 and throughout the Report of the Board of Trustees. However, M&GN Heritage Ltd exists purely for potential commercial trading purposes with no strategic permanency and so the Board decided that this investment should be represented in General Fund.

At the beginning of the year the aggregate values of heritage assets in Endowment was £37,646 and in General fund £56,130 with M&GN Heritage Ltd. shares in Endowment £1,000. Heritage assets acquired in the year by General Fund and comprising the Class O8 shunter, Thompson coach and some Whitaker's Tablet Exchange parts cost £71,417. The total value of heritage assets transferred from General Fund to Endowment is £127,547.

The net transfer to this fund of £126,797 is from General Fund and comprises £250 shares in NNR and £127,547 heritage assets referred to above, less £1,000 shares in *Midland & Great Northern Heritage Ltd.* There was no endowment income nor expenditure during the year and so the fund balance of £301,909 at the beginning of the year is increased by £126,797 to £428,706 at the end of the year.

Other Funds

The net transfers totalling £10,700 from restricted funds are £16,000 to 'Loco Pot' (contributions for steam locomotive maintenance B12 £2,000 and WD £4,000 and Loco Club £10,000 B12 and WD (see note 10)) and £10,000 from Heritage Coach Fund to General Fund towards the purchase cost of Thompson BTK coach No. 1866, less £15,300 from General Fund to 31 Fund towards maintenance and overhaul.

The transfer of £14,189 from Locomotive Boilers is to 'Loco Pot', being the release of previous funding for the B12 boiler overhaul and will occur over ten years in line with the £14,310 depreciation of the boiler costs.

The transfer of £16,679 from Special Projects is to General Fund, being £16,000 towards the purchase cost of Thompson BTK coach no. 1866 and £679 balance to close the fund.

The General Fund net transfers out of £115,280 comprise £126,797 to Endowment Fund (see *Endowment Fund* note), £15,300 to Class 31 Fund in the *Other Funds* first paragraph, less £138 from Museum Fit-out fund towards depreciation of Museum fitting-out costs, less £10,000 from Heritage Coach Fund in the *Other Funds* first paragraph and less £16,679 from "Special Projects" in the *Other Funds* third paragraph above.

The Loco Pot £30,189 transfer in comprises £16,000 and £14,189 in *Other Funds* first and second paragraphs.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2019 continued

14. Analysis of net assets between funds

	Designated Funds	General Fund	Restricted Funds	Endowment Fund	Total Funds
	£	£	£	£	£
Tangible fixed assets	332,322	13,091	306,814	165,193	817,420
Investments	-	32,500	-	263,513	296,013
Net Current Assets	200,971	264,860	211,652	-	677,483
	<u>533,293</u>	<u>310,451</u>	<u>518,466</u>	<u>428,706</u>	<u>1,790,916</u>

15. Contracts and Commitments

An order for bodywork repairs to Class 31 locomotive no. D5631 was placed with the NNR in November 2016 in the sum of £30,000. At 31 January 2019 this sum had been spent but some work remained to be completed.

A contract for the supply, installation and commissioning of a steam heat boiler for Class 31 locomotive no. D5631 was entered into with King's Boiler Hire Ltd in October 2017 in the sum of £21,996. At 31 January 2019 £2,000 of the contract remained to be completed.

At 31 January 2019 grants have been awarded or pledges made towards three projects being undertaken or planned to be undertaken on the North Norfolk Railway. The aggregate amount is £25,000 but payments will be dependent upon the projects being completed.

16. Commitments under Operating Leases

At 31 January 2019 there were future minimum lease payments under non-cancellable operating leases for land and buildings as follows:

	2019	2018
	£	£
Not later than 1 year	8,350	9,873
Later than 1 year and not later than 5 years	400	400
Later than 5 years	200	300
	<u>8,950</u>	<u>10,573</u>

17. Post Balance Sheet Events

In December 2018 the Society was informed by the solicitors administering the estate of a former member that it is named in the Will as the residuary beneficiary. No written indication was given of what the potential value of the residue of the estate might be. In February 2019 the solicitors issued a Statement of Affairs to the Society setting out the assets and liabilities of the estate prior to an application for Probate. The Will was proved and registered at The Probate Registry and The Grant of Representation issued to the Executor on 19 March 2019. Formal inheritance tax clearance was subsequently issued by HM Revenue & Customs in April.

The net value of the estate is indicated in the region of £1m before realisation of the assets and settlement of liabilities and the costs of doing so, including legal costs. There is a single pecuniary legacy of £100,000 to another charity. The Will states that the Testator's wish is for the monies to be used for any work and materials which are associated directly with the restoration or heavy repair of steam locomotives owned by the Society.

Apart from the above, no post balance sheet events materially affect these financial statements.

MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MIDLAND AND GREAT NORTHERN JOINT RAILWAY SOCIETY ('THE COMPANY')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 January 2019.

Responsibilities and basis of report

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

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

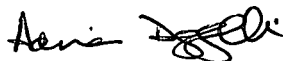
Independent examiner's statement

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

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

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

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



Adrian Doggett FCA
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Cambridge
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28 May 2019