

Charity Registration No. 263617

Company Registration No. 1038056 (England and Wales)

**NENE VALLEY RAILWAY LIMITED
AND ITS SUBSIDIARY**

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2020**

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

LEGAL AND ADMINISTRATIVE INFORMATION

Patron of Nene Valley Railway	HRH The Duke of Gloucester
Honorary President	Lord B S Mawhinney Kt. (deceased)
Honorary Vice President	Cllr C Swift O.B.E
Trustees - Elected	K J Parkinson (Chairman) A E M Haydon (resigned 2 August 2019) D J O'Connell (resigned 2 October 2019) P Marshall S J Bell M A Kerfoot S L Derry (appointed 2 October 2019) T J Jennings (appointed 2 October 2019)
Trustees - Appointed	A L Oates P Corrigan (resigned 18 October 2020) S A Costello (appointed 3 October 2019)
Key management personnel	S Piggott K Shaw
Secretary	N McGregor
Charity number	263617
Company number	1038056
Museum number	1636
Principal address	Wansford Station Old North Road Stibbington Peterborough PE8 6LR
Registered office	Wansford Station Old North Road Stibbington Peterborough PE8 6LR

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

LEGAL AND ADMINISTRATIVE INFORMATION

Auditors

Stephenson Smart & Co
36 Tyndall Court
Commerce Road
Lynchwood
Peterborough
PE2 6LR

Bankers

National Westminster Bank plc
PO Box 15
Cathedral Square
Peterborough
Cambridgeshire
PE1 1HW

Solicitors

Sloan Plumb Wood LLP
Apollo House, Isis Way
Minerva Business Park
Lynchwood
Peterborough
Cambridgeshire
PE2 6QR

Investment advisors

Ravenscroft
The Singing Men's Chambers
19 Minister Precincts
Peterborough
PE1 1XX

Website

www.nvr.org.uk

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

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NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

CHAIRMAN'S REPORT

FOR THE YEAR ENDED 31 JANUARY 2020

As has been my practice since becoming chairman in 2015 these reports have continued to develop and expand. Last year was the first of the full trustee reports with a lot of information broadly broken down by departments and I acknowledge the department managers and others who have again contributed this year. This does not cover every department, however in my opinion the main ones are currently represented and with good planning there will be greater representation next year.

2019/20 was an interesting year for the railway to say the least with several highs and many lows. As can be seen in the infrastructure report we were faced with two major point problems. These had great impact on train service provision as well as giving us additional, unbudgeted cost. I am grateful to the department managers, staff and volunteers who rallied around in the face of need and we managed to keep services running on every timetabled day. We had a long, hot, dry summer which introduced a steam ban to reduce the risk of lineside fire and this prolonged hot weather posed other challenges to both staff and volunteers.

Towards the end of the summer, Flying Scotsman returned on another visit which has always proved popular with everyone at the railway and the many volunteers, again producing sell-out trains and events. After that came the annual diesel gala which was a great success with many exciting locomotives including the now unique class 17 Clayton much to the delight of heritage diesel fans. Without too long a break we began the Santa season which in turn rolled into the new "Train of Lights" which has divided opinion. Although this came with much promise, it was not the expected success for a number of reasons and is not being repeated in 2020/21. Certainly, the staffing of "Train of Lights" caused problems and there were operational issues as well.

With all this said, I invite you to turn to the report of the board of trustees for more details of the 2019/20 Nene Valley Railway financial year however on a personal basis, I would like to express my sincere thanks to all of the volunteers, staff and supporters for their hard work and contribution to Nene Valley Railway throughout the year. Without you, we would not be running trains and there would be no Nene Valley Railway.

Finally, I end this report with mention of the challenges brought by the Coronavirus pandemic. It is no secret that we had to cease operations at the end of March 2020 which effectively put paid to many exciting events that were planned. When we (very carefully) re-opened in early August, it was only after a lot of work across the whole railway to ensure compliance of the expectations demanded by the Office of Rail & Road (ORR) and with significantly reduced seating on the trains. Compliance with all of the various Covid-19 precautions was essential for the well being of staff, volunteers and the visitors. I am proud of the way we have all responded to this and it is only a very few volunteers who have for personal reasons, opted not to return. As I write these words a second lockdown has just been announced and it remains to see how December and then 2021 pan out. I cannot speculate but I do know we have a great team at NVR and together we will do our utmost to beat any virus and keep our trains running. The NVR board maintains a risk register and Coronavirus is obviously on this register which gets reviewed monthly. 2020/21 could be a pivotal year for the railway as we seek to rebuild ourselves after 2019/20 and I am optimistic of a brighter future. In the meantime I hope each and every one of you can stay safe and well.

K J Parkinson

Dated10-11-20

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JANUARY 2020

The trustees present their report and financial statements for the year ended 31 January 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's governing document, the Companies Act 2006 and 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)' (effective 1 January 2019).

Our Mission

Nene Valley Railway Limited is a registered charity whose formal charitable purpose is:

'to promote the permanent preservation of railway lines, engines and rolling stock and equipment, and items of general railway interest of actual historic or scientific importance and education value, and to exhibit to members of the public interested in engines owned by the association any such engines, rolling stock, equipment and items as aforesaid by means of temporary or permanent exhibitions and to demonstrate and assist in demonstrating to such persons the working and operations of such engines, rolling stock and items of static or mobile displays'.

Status of the Charity

Peterborough Railway Society was incorporated as a company limited by guarantee in 1972 and subsequently acquired charitable status. The company name was changed to Nene Valley Railway Limited in 1984. The charity has no share capital and the liability of each member, in the event of winding up, is limited to £1. The governing documents are the Memorandum and Articles of Association of the company. Anyone may become a member by payment of the appropriate annual subscription.

The company has a wholly owned subsidiary Nene Valley Railway Enterprises Limited which is not a charity and has its own board and accounts. Its profits are gift aided to Nene Valley Railway Limited.

The charity can have up to nine trustees. The articles prescribe that six are elected by the members with up to three additional trustees on the basis that these persons have the skills required to ensure that the trustees as a body have in their opinion adequate financial, legal, business, charity and other professional skills.

The trustees serving during 2019 - 2020 and the meetings they attended were:

	Actual	Possible
Keith Parkinson (Chairman)	8	10
Stan Bell	10	10
Ambie Haydon (resigned 2 August 2019)	5	5
David O'Connell (resigned 2 October 2019)	6	6
Peter Corrigan	5	10
Phil Marshall	9	10
Adrian Oates	8	10
Mike Kerfoot	10	10
Sarah Derry (appointed 2 October 2019)	4	4
Tom Jennings (appointed 2 October 2019)	4	4
Stuart Costello (appointed 3 October 2019)	3	4

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JANUARY 2020

Governance and Management

The board normally meet every month of the year and subgroups of board members meet from time to time as business requires. The general manager is appointed by the trustees to carry out the policies laid down by the board and to manage the day to day operations of the charity.

The trustees are appointed by the subscribing members of the charitable company at the annual general meeting. All adult members have one vote and should the number of nominations to become trustees exceed the vacancies, a secret ballot is held. All trustees are subscribing members and must be nominated by two people. The initial appointment is for a three year term.

None of the trustees have any beneficial interest in the charitable company. All of the trustees are members of the charitable company and guarantee to contribute £1 in the event of a winding up.

Health & Safety

Safety continued to feature on every board meeting during the year. Safety reports were received from the Safety Advisor monthly. A standardised model was worked up to assist and ease the board in assimilating the information presented.

The board monitored the progress of managers in rebuilding the old Safety Management System (SMS), into new Departmental 'Books' directly relevant to operating departments. They have also monitored the progress of work to transfer & hold volunteers competencies on the Heritage Operations Processing System (HOPS) – an online database as recommended by our HMRI. This enables all competencies to be more accurate and accessible.

NVR delegates attended safety workshops organised by the Heritage Railway Association and reported back on the latest priorities.

The board arranged and received a safety audit from a railway consultant as to the present state of management of safety at NVR. This was incorporated into the SMS rebuild. It was also noted that the Office of Rail & Road (ORR) will be proposing to use a new simplified Risk Assessment Maturity model, called RM3 on heritage railways.

Accidents and Incidents: The board are pleased to report there was a good level of reporting, with volunteers feeling free to report and with only a few 'high risk' significant incidents.

Financial Review

Income from traffic together with earnings from Nene Valley Railway Enterprises Limited increased slightly from £1.42m to £1.49m. In addition, we received bequests, donations and investment income of £176,547 which was up from £141,386 last year. Whilst every effort was made to control costs, they increased from £1.51m to £1.72m in the year under review. As a result of the increased costs the year end trading position declined from a profit of £38,236 last year to a loss of £31,699 in the year to 31 January 2020.

Whilst a modest increase was seen in ordinary traffic, Santa income and driver experience earnings remained virtually the same as the previous year.

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JANUARY 2020

Financial Review (continued)

Both to demonstrate good financial practice and to achieve savings, the provider of the railways audit services was changed. After many years employing Rawlinsons (now Baldwins), the contract was awarded to Stephenson Smart & Co. The trustees are grateful to the staff at Baldwins for their support over many years and thank the NVR Finance Team led by Rich Dixon for managing this process on their behalf.

Infrastructure

During the year the S&T, track, bridges and lineside departments continued essential maintenance. The track team started the year completing work at Yarwell, extending the headshunt by a small distance and improving the condition of the track and run-round points. This job had been a battle throughout with non-standard fittings, restricted access and having to rectify some poor original installation. One of the most positive points is that the work was funded by a Mick George grant through Grantscape.

On Sunday 5 May the west end points of the motorised crossover at Wansford (No 43 points) were run through by railcar 1212. This was due to a combination of factors including a brief false clear of a controlling track circuit. There was severe damage to the S&T fittings. Some temporary repairs were completed on 13 May to enable the points to be brought back into service albeit with restrictions.

Shortly after this a locomotive was driven through the ground frame points at the east end of Yarwell run-round loop. This caused severe damage to the track work and the points were signed out of use immediately as well as a line blockage being put on for a number of weeks. Although a limited service train pattern did start to operate to Yarwell after some weeks employing "top and tail" working, the points were not fully repaired until mid-August using reclaimed parts from former turnouts on the Fletton branch.

Despite the new damage to points at Yarwell impacting on train services, combined with the previous damage to the motor points at Wansford, all departments came together to work well with the S&T able to make permanent repairs to 43 points on 22 July which did ease the situation.

S&T continued to make improvements to their infrastructure during the year with some replacement of old cables and simplifying the track circuit arrangements at Wansford. They installed a new platform bell at Wansford which signalmen use to give warning of arriving trains. This is proving popular with the station staff and others.

Locomotives and Rolling Stock

During the period in question our Thomas loco ran for 33 days, while the Swedish Railcar 1212 ran on 22 occasions.

Battle of Britain locomotive "92 Squadron" ran on 88 occasions covering all rostered duties.

Peak Class diesel 45041 ran on 29 occasions greatly assisting with the high fire risk during the summer.

The two class 14s owned by ISTG ran on 29 occasions working a mix of civil engineering trains and passenger services including Santas.

Flying Scotsman 60103 returned at the end of the summer and as well as enabling a number of static footplate visits ran for five full days in September.

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JANUARY 2020

Locomotives and Rolling Stock (continued)

Black 5 No 44871 was hired in to support the Santa services and also ran during the January period totalling 17 steamings.

Austerity 3193 ran on 9 occasions before she had to return to Bressingham during 2020.

Aveling and Porter locomotive Blue Circle ran on 12 occasions and although originally coming on a short term basis, the owner has elected to stay on at NVR and we welcome both him and his locomotive which offers a popular attraction within Wansford yard.

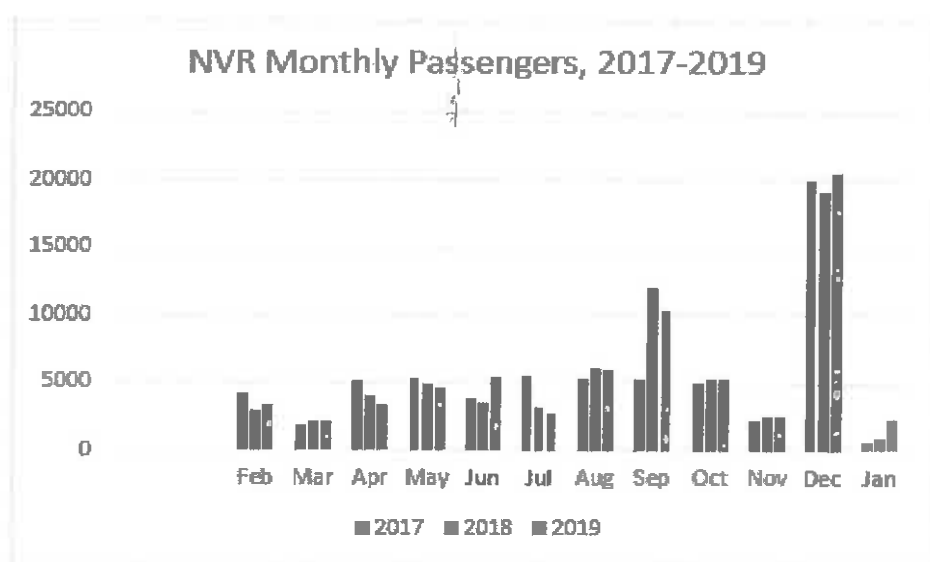
It should be noted that following a major points problem at Yarwell in the summer we had to run an amended service often involving two locomotives.

The trustees remain grateful to all locomotive owners - both the "residents" and the visiting ones and acknowledge their support.

Passenger Numbers

Passenger numbers very closely tracked those of 2018/19, even to the extent of a boost in September as a result of successive visits by Flying Scotsman. Perhaps to be expected, the second visit was less well attended than the first. The year total (68,786) shows a growth of 3% from 2018/19.

Looked at graphically, the figures from the past three years show how very stable attendance has become :



The graph also makes clear how very dependent we are upon the Santa trains, in 2019 they provided nearly one-third of the whole year's passengers in just 15 days running (and in financial terms, the premium prices mean they make an even bigger contribution).

Although the 'Train of Lights' did not live up to expectations, it is felt that cinema advertising for it did increase local awareness of the NVR and boosted sales of the 'Classic' Santa tickets, which held up well and enabled a new high of 20,582 Santa train passengers to be reported.

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JANUARY 2020

Passenger Numbers (continued)

The NVR board remains keen to find ways to raise footfall away from the Christmas season, with an aspiration to run more 'added-value' trains (Fish and Chips, Cream Tea, Curry, etc.) in the coming years. With no glamour visitors expected in 2020/21, we will need to work hard throughout the year to maintain numbers.

Operations Department

In the last year Tim Hobman as volunteer NVR operating manager has continued to improve the operating department, in terms of staff recruitment, retention, training and promotion. An overhaul of the command structure of the department has taken place in line with the locomotive department, which has seen the two senior guard and signalling roles replaced by four inspectors, two for each area. This command team has been supported by two station masters, giving a group of six people under the operating manager to assist in the running of the department. David Jackson has relinquished his role of deputy operating manager and agreed to remain with the department as a trainer. The role of deputy operating manager has subsequently been deleted.

There is now a clear program of training, examination and continued assessment for each member of staff, with no member of staff going more than two years without an assessment by an inspector. The emphasis has been on improving the record keeping within the department to ensure that there is a paper trail of all assessment, examination, incident or disciplinary event.

The department has continued to grow in strength and experience. In the last year there have been 9 promotions or qualifications. The platform staff continue to enhance the visitor experience at Wansford and more recently also at Peterborough with Tony King taking charge of the station as station master.

Tim has continued to motivate staff with ongoing projects, such as the renovation of Peterborough station, the acquisition of new equipment for the signal boxes, the continued success and income of the signal box experiences, and more variety to events and running days.

Membership, staff and volunteering

At 31 January 2020, there were 989 actual memberships. With the joint memberships counting as 2, this gives a total number of 1,111 members. Overall the numbers remained broadly the same as the previous year.

The volunteer induction and liaison team made great progress during the year with regular inductions for new members and managers are regularly asked if they have vacancies within their departments.

There were quite a few changes within the employed staffing numbers through the year with only eleven remaining unchanged. There were several changes within the café staff including the departure of catering manager Chris Berry in April, however he did re-join the company in November. Two members of the office admin team also left however two part time members of admin staff were recruited, funded by the HLF project to enable that work to continue. One member of the cleaning team also left NVR employment. In January 2020 Tracy Spring joined the company to provide maternity cover for general manager Sarah Piggott who gave very good notice of her impending confinement. The trustees wish Sarah well with her forthcoming "special event" and thank Kim Shaw for offering to step up to acting general manager for 2020.

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 JANUARY 2020

Fundraising

During the year we continued our efforts to develop our grant fundraising capacity alongside promoting other opportunities for charitable income. We received two further tranches of funding from the Mick George Community Fund to help restore railway infrastructure, whilst we also secured funding from the LNER Customer and Community Investment Fund. We nurtured our connections with the National Lottery Heritage Fund project through our ongoing grant-funded project to strengthen governance at the railway. In total we received £25,747 from grants in 2019/20 with significant sums committed for receipt in future years. We thank all grant funders for their much needed support to the railway.

Our heartfelt thanks also goes out to members, visitors and other supporters who have donated to the railway during the year. Over the year we have raised a total of £103,175 through donations, an increase of almost 30% on the previous year. These donations have been essential in supporting our ongoing work as well as capital improvement projects. Finally, and as always, we are especially grateful to our volunteers who generously contribute increasing amounts of time to the railway each year. Without our volunteer community, the railway would simply not be able to operate, such is their importance to our operations.

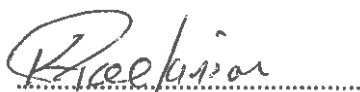
Summary of Success

2019/20 was a challenging year in many ways and the trustees are indebted to the staff and volunteers who came together to make it an overall success. We especially welcome all new volunteers who have joined during 2019/20 and on behalf of the board I would like to express our sincere thanks to everyone for their hard work. We are a people orientated business and without our staff and volunteers there would be no Nene Valley Railway as we know it.

Audit

Each of the trustees have confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



K J Parkinson

Chairman of the Trustees

Dated 10-11-20

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 JANUARY 2020

The trustees who are also the directors of Nene Valley Railway Limited for the purposes of company law, are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and 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; 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 trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

INDEPENDENT AUDITORS REPORT

TO THE TRUSTEES OF NENE VALLEY RAILWAY LIMITED

Opinion

We have audited the financial statements of Nene Valley Railway Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 January 2020 which comprise the Group Statement of Financial Activities, the Group & Parent Charitable Company Balance Sheet's, the Group Cashflow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Parent charitable company's affairs as at 31 January 2020 and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 uncertainties relating to going concern

We draw attention to note 1.2 to the financial statements, which explains the uncertainties that the Covid-19 pandemic has created in relation to the potential restriction of the future activities of the group. As stated in note 1.2, the unknown future effect of the pandemic on operating conditions indicates a material uncertainty that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

INDEPENDENT AUDITORS REPORT (CONTINUED) TO THE TRUSTEES OF NENE VALLEY RAILWAY LIMITED

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustee's annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of other information. 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.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent charitable company; or
- the Parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

INDEPENDENT AUDITORS REPORT (CONTINUED) TO THE TRUSTEES OF NENE VALLEY RAILWAY LIMITED

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with this Act and relevant regulations made or having effect thereunder.

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 auditor's 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.

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 auditor's report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Stephenson Smart & Co

Statutory Auditor

36 Tyndall Court

Commerce Road

Lynchwood

Peterborough

PE2 6LR

Date:

10/11/2020

Stephenson Smart & Co is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JANUARY 2020

	Notes	Unrestricted funds 2020 £	Designated funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total 2020 £	Total 2019 £
Income from:							
Donations and other fund raising income	4	58,910	-	105,735	-	164,645	129,362
Incoming resources from charitable activities	5	1,200,286	-	-	-	1,200,286	1,146,233
Commercial trading operations and investment in trading subsidiary	3	286,055	-	-	-	286,055	273,823
Investments	6	794	1	11,105	2	11,902	12,024
Total income and endowments		1,546,045	1	116,840	2	1,662,888	1,561,442
Expenditure on:							
<u>Raising funds</u>							
Commercial trading operations and investment in trading subsidiary	7	216,310	-	-	-	216,310	213,106
Charitable activities	9	1,345,948	29,032	131,235	-	1,506,215	1,294,863
Total resources expended		1,562,258	29,032	131,235	-	1,722,525	1,507,969
Net gains/(losses) on investments	13	-	-	27,938	-	27,938	(15,236)
Net incoming/ (outgoing) resources before transfers		(16,213)	(29,031)	13,543	2	(31,699)	38,237
Gross transfers between funds		(14,924)	48,939	(34,015)	-	-	-
Net movement in funds		(31,137)	19,908	(20,472)	2	(31,699)	38,237
Fund balances at 1 February 2019		1,756,798	201,510	542,275	577	2,501,160	2,462,923
Fund balances at 31 January 2020		1,725,661	221,418	521,803	579	2,469,461	2,501,160

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

All income and expenditure derive from continuing activities.

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

CONSOLIDATED BALANCE SHEET FOR THE YEAR ENDED 31 JANUARY 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	14	1,946,512		1,927,987	
Investments	16	373,679		344,745	
		<u>2,320,191</u>		<u>2,272,732</u>	
Current assets					
Stocks	18	49,020		41,337	
Debtors	19	81,290		25,988	
Cash at bank and in hand		<u>307,078</u>		<u>339,455</u>	
		437,388		406,780	
Creditors: amounts falling due within one year	20	(178,920)		(138,821)	
Net current assets			258,468		267,959
Total assets less current liabilities			<u>2,578,659</u>		<u>2,540,691</u>
Creditors: amounts falling due after more than one year	21	(109,198)		(39,531)	
Net assets			<u>2,469,461</u>		<u>2,501,160</u>
Capital funds					
Endowment funds	25		579		577
Income funds					
Restricted funds	27	521,803		542,275	
Designated funds	26	221,418		201,510	
General unrestricted funds		1,725,661		1,756,798	
		<u>2,469,461</u>		<u>2,501,160</u>	

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

CONSOLIDATED BALANCE SHEET (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 January 2020, although an audit has been carried out under section 151 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The trustees acknowledge their responsibilities for ensuring that the charity 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 the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

The financial statements were approved by the board of directors and authorised for issue on 10.11.20 and are signed on its behalf by:



K J Parkinson
Trustee

Company Registration No. 1038056

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

CHARITY BALANCE SHEET

FOR THE YEAR ENDED 31 JANUARY 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	14	1,946,512		1,927,987	
Investments	16	373,779		344,845	
		<u>2,320,291</u>		<u>2,272,832</u>	
Current assets					
Stocks	18	18,838		19,752	
Debtors	19	96,268		51,273	
Cash at bank and in hand		<u>298,616</u>		<u>327,584</u>	
		413,722		398,609	
Creditors: amounts falling due within one year	20	(155,354)		(130,750)	
Net current assets			258,368		267,859
Total assets less current liabilities			<u>2,578,659</u>		<u>2,540,691</u>
Creditors: amounts falling due after more than one year	21	(109,198)		(39,531)	
Net assets			<u>2,469,461</u>		<u>2,501,160</u>
Capital funds					
Endowment funds	25		579		577
Income funds					
Restricted funds	27	521,803		542,275	
Designated funds	26	221,418		201,510	
General unrestricted funds		1,725,661		1,756,798	
		<u>2,469,461</u>		<u>2,501,160</u>	

The net movement in funds for the year for the charity only was net deficit of £31,699 (2019: net surplus £38,237). The charity's income was £1,436,628 (2019: £1,380,649) less expenditure of £1,496,265 (2019: £1,327,176) and net gain on investments of £27,938 (2019: net loss on investments £15,236).

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

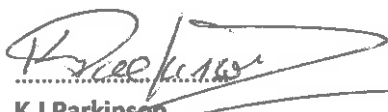
CHARITY BALANCE SHEET (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 January 2020, although an audit has been carried out under section 151 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The trustees acknowledge their responsibilities for ensuring that the charity 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 the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

The financial statements were approved by the board of directors and authorised for issue on 10.11.20 and are signed on its behalf by:



K J Parkinson
Trustee

Company Registration No. 1038056

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JANUARY 2020

	Notes	2020 £	£	2019 £	£
Net cash outflow from operating activities	33		(3,035)		(41,905)
Cash flow from investing activities					
Purchase of tangible fixed assets		(56,805)		(66,991)	
Purchase of investments		(87,841)		(56,237)	
Proceeds on disposal of investments		86,845		47,601	
Interest received		<u>11,902</u>		<u>12,024</u>	
Net cash used in investing activities			(45,899)		(63,603)
Cash flow from financing activities					
Interest paid		(31,642)		(42,362)	
New secured loans		112,000			
Repayment of borrowings		<u>(43,061)</u>		<u>(8,959)</u>	
Net cash used in financing activities			<u>37,297</u>		<u>(51,321)</u>
Net change in cash and cash equivalents			(11,637)		(156,829)
Cash and cash equivalents at beginning of the year			318,678		475,507
Cash and cash equivalents at end of the year			<u><u>307,041</u></u>		<u><u>318,678</u></u>
Relating to:					
Bank balances and short term deposits			307,078		339,455
Bank overdrafts			(37)		(20,777)
			<u><u>307,041</u></u>		<u><u>318,678</u></u>

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

Charity information

Nene Valley Railway Limited is a private company limited by guarantee in England and Wales. The registered office is Wansford Station, Old North Road, Stibbington, Peterborough, PE8 6LR.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's governing document, the Companies Act 2006 and "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 (FRS 102)" (effective 1 January 2019). The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

These financial statements are prepared on the going concern basis. The trustees have a reasonable expectation that the charity and its subsidiary will continue in operational existence for the foreseeable future. However, the trustees are aware of certain material uncertainties which may cause doubt on the group's ability to continue as a going concern.

Following the year end, the industry in which the charity and its subsidiary operate were significantly impacted by the Covid-19 pandemic. As a result of this, Nene Valley Railway was forced to close for several months and on re-opening has only been able to provide limited services to date. Whilst the trustees continue to monitor the situation and manage the group's finances appropriately, it remains uncertain as to when full operations will be restored. In November 2020 the Government announced further restrictions that impact the Railway and the trustees as a result will once again consider all aspects of the finances, consider external support that is available on an unprecedented scale at present to assist with the impact of this as well as reconsidering costs to continue to manage the short term impact.

As the full impact of the pandemic and how it might restrict the activities of the group remains unclear at this time, the trustees consider this creates a material uncertainty that may cast significant doubt on the group's ability to continue as a going concern.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies (Continued)

1.3 Charitable funds (continued)

Restricted funds are subject to specific conditions by donors as to how they may be used. The details of the restricted funds are set out in the notes to the accounts.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charitable company.

1.4 Incoming resources

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Donations and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are capable of financial measurement.

Legacy income is recognised either by the charity being notified of an impending distribution or the legacy being received.

Endowment income is restricted.

The charity benefits from many hours and unclaimed out-of-pocket expenses contributed by a number of supporters. It would be impossible to place a value on all these gifts in kind for which the charity is extremely grateful.

Grant income is recognised in the year in which the grant is receivable.

Income from driving courses is recognised when the income is receivable rather than when the course is booked, this is considered reasonable as the vouchers do not have an expiry date and in some instances have not been utilised.

Life membership subscriptions are released into income on a straight line basis at 8% per annum.

1.5 Resources expended

Policy for recognition of liabilities is as soon as there is a legal or constructive obligation committing the charity to expenditure.

Recognition of the costs of generating funds is on an accruals basis, excluding VAT.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and included audit fees and costs linked to the strategic management of the charity.

Costs are allocated, where possible, directly to the activity. Where the cost is not directly attributable it is allocated by informed management's best estimate of the activities undertaken.

The charity has three main objectives and the premises and promotion costs have been allocated 1/3rd to each of the main objectives.

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies (Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	Mobile classroom - 10 years straight line Bridge improvements - 20 years straight line
Plant and machinery	Straight line over 5 years
Track and ballast	1% reducing balance
Rolling stock and locomotives	No depreciation is charged on items where the cost of restoration has been charged against income. On restored locomotives where work has been capitalised, the depreciation is written off over 10 years straight line from the date of completion

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

The trustees consider that the freehold buildings are maintained in such a state of repair that their residual value is at least equal to their net book value. As a result the corresponding depreciation would not be material and therefore is not charged in the statement of financial activities.

Land at a value of £300,000 has not been depreciated.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the exact of the impairment loss.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies (Continued)

1.9 Stocks

Stock is valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the charitable company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effect interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies (Continued)

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charges against the category of resources expended for which it was incurred.

1.15 Pensions

The charitable company operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Commercial trading operations and investment in trading subsidiary

	2020	2019
	£	£
Non-charitable trading activities	286,055	273,823

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

4 Donations and other fund raising income

	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2020 £	Total 2019 £
Donations and gifts	23,187	-	79,988	103,175	79,879
Legacies receivable	18,221	-	-	18,221	1,389
Grants receivable	-	-	25,747	25,747	26,531
Membership fees	17,502	-	-	17,502	21,563
	<u>58,910</u>	<u>-</u>	<u>105,735</u>	<u>164,645</u>	<u>129,362</u>
For the year ended 31 January 2019	<u>44,208</u>	<u>18,718</u>	<u>66,436</u>		<u>129,362</u>

5 Incoming resources from charitable activities

	Total 2020 £	Total 2019 £
Traffic and admission charges	680,022	642,341
Driving course income	38,677	38,583
Santa specials	458,620	444,272
Charitable rental income	12,051	18,412
Photo course and trade stands	963	1,050
Other income	9,953	1,575
	<u>1,200,286</u>	<u>1,146,233</u>

6 Investments

	Unrestricted funds £	Designated funds £	Restricted funds £	Endowment funds £	Total 2020 £	Total 2019 £
Income from listed investments	-	-	11,105	-	11,105	11,689
Interest receivable	794	1	-	2	797	335
	<u>794</u>	<u>1</u>	<u>11,105</u>	<u>2</u>	<u>11,902</u>	<u>12,024</u>
For the year ended 31 January 2019	<u>329</u>	<u>3</u>	<u>11,689</u>	<u>3</u>		<u>12,024</u>

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

7 Raising funds

	2020 £	2019 £
Commercial trading operations and investment in trading subsidiary		
Operating trading company undertaking non-charitable trading activity	216,310	213,106
	<u>216,310</u>	<u>213,106</u>

8 Trustees

No trustees (or any persons connected with them) received remuneration during the year. No trustees received expenses in the year (2019 - No trustees received expenses).

9 Charitable activities

	2020 £	2019 £
Maintenance staff including NI and pension	174,300	169,188
Depreciation and impairment	38,280	15,917
Fuel and lubricants	76,892	63,286
Insurance	65,174	77,848
Hire and transport of rolling stock	155,844	143,450
Maintenance	147,446	132,582
Santa special purchases	79,256	37,614
Stamp purchases for resale	6,456	7,572
Refuse and cleaning	27,090	15,626
Repairs and renewals	625	19
Sundry operating expenses	-	2,329
Subscriptions	3,604	2,382
Online booking system	9,771	9,462
Publicity and printing costs	51,676	26,410
Special event expenses	201,930	132,603
Bank, interest and credit charges	31,642	42,362
Bad debt provision	(1,808)	1,806
Expenditure from restricted funds	125,924	72,335
	<u>1,194,102</u>	<u>952,791</u>
Support costs (see note 10)	291,375	320,664
Governance costs (see note 10)	20,738	21,408
	<u>1,506,215</u>	<u>1,294,863</u>
Analysis by fund		
Unrestricted funds	1,345,948	1,203,755
Designated funds	29,032	13,436
Restricted funds	131,235	77,672
	<u>1,506,215</u>	<u>1,294,863</u>

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

10 Support costs

	Support costs £	Governance costs £	2020 £	2019 £
Administration and cleaning wages	252,223	-	252,223	236,960
Premises costs	19,625	-	19,625	66,718
Promotion costs	19,527	-	19,527	16,986
Audit fees	-	5,370	5,370	5,300
Accountancy	-	3,497	3,497	6,300
Legal and professional	-	11,871	11,871	9,808
	<u>291,375</u>	<u>20,738</u>	<u>312,113</u>	<u>342,072</u>
Analysed between:				
Charitable activities	<u>291,375</u>	<u>20,738</u>	<u>312,113</u>	<u>342,072</u>

11 Taxation

Nene Valley Railway Limited is a registered charity. It only applies its funds in accordance with its charitable objectives, and is not trading with a view to making distributable profits, therefore corporation tax is not chargeable.

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Administration, shop, catering and cleaning	15	14
Mechanical	6	6
	<u>21</u>	<u>20</u>

Employment costs

	2020 £	2019 £
Wages and salaries	384,961	369,217
Social security costs	31,919	28,643
Other pension costs	9,643	8,288
	<u>426,523</u>	<u>406,148</u>

Included in the above employee costs is a sum of £99,545 (2019: £83,212) which are the wages costs of the trading subsidiary Nene Valley Railway Enterprises Limited.

There were no employees whose annual remuneration was £60,000 or more.

13 Net gains/(losses) on investments

	2020 £	2019 £
Revaluation of investments	14,060	(15,650)
Gain on sale of investments	13,878	414
	<u>27,938</u>	<u>(15,236)</u>

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

14 Tangible fixed assets

Group and Charity

	Freehold land and buildings £	Property improvements £	Plant and machinery £	Track and ballast £	Rolling stock and locomotives £	Total £
Cost						
At 1 February 2019	1,104,728	206,046	182,736	252,903	1,091,217	2,837,630
Additions	-	-	13,225	-	43,580	56,805
At 31 January 2020	1,104,728	206,046	195,961	252,903	1,134,797	2,894,435
Depreciation and impairment						
At 1 February 2019	-	37,012	146,284	17,123	709,224	909,643
Depreciation charged in the year	-	5,707	10,869	2,358	19,346	38,280
At 31 January 2020	-	42,719	157,153	19,481	728,570	947,923
Carrying amount						
At 31 January 2020	1,104,728	163,327	38,808	233,422	406,227	1,946,512
At 31 January 2019	1,104,728	169,034	36,452	235,780	381,993	1,927,987

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

14 Tangible fixed assets (Continued)

Freehold land and buildings including improvements with a carrying amount of £1,268,055 (2019 - £1,273,762) have been pledged to secure borrowings of the charitable company. The charitable company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

The freehold and leasehold land and buildings were professionally valued at 31 January 2012 by John Martin & Associates, a Fellow of the Royal Institution of Chartered Surveyors. The valuation of each property was on the basis and assumptions for owner occupied properties being valued to Existing Use Value.

The valuation at 31 January 2012 has been included in the current year together with additions at cost.

The Trustees have reviewed the valuation at the year end and consider it to remain accurate.

15 Financial instruments	2020	2019
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	23,505	8,207
Equity instruments measured at cost less impairment	373,679	344,745
	<u>373,679</u>	<u>344,745</u>
Carrying amount of financial liabilities		
Measured at amortised cost	251,012	166,841
	<u>251,012</u>	<u>166,841</u>

16 Fixed asset investments

Group	2020	2019
	£	£
Listed investments	373,679	344,745
	<u>373,679</u>	<u>344,745</u>
Charity	2020	2019
	£	£
Investments in subsidiaries	100	100
Listed investments	373,679	344,745
	<u>373,779</u>	<u>344,845</u>
Listed investments included above:	2020	2019
	£	£
Listed investments carrying amount	373,679	344,745
	<u>373,679</u>	<u>344,745</u>

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

16 Fixed asset investments (Continued)

Movements in fixed asset investments Group and Charity	Shares £
Cost or valuation	
At 31 January 2019	344,745
Valuation changes	27,938
Investment management fees	(3,109)
Dividends received	11,105
Disposals	(7,000)
At 31 January 2020	<u>373,679</u>
Carrying amount	
At 31 January 2020	<u>373,679</u>
At 31 January 2019	<u>344,745</u>

17 Subsidiaries

The charity owns 100% of the ordinary shares of its subsidiary, Nene Valley Enterprises Limited which is a private company incorporated in England. (Registration number 2883483). The principle activities of the subsidiary are the operation of shop facilities, catering and commercial bar.

The subsidiary's results as extracted from the statutory financial statements for the year ended 31 January 2020 are outlined below:

	2020 £	2019 £
Turnover	378,850	389,348
Expenditure	(331,182)	(307,343)
Net profit	<u>47,668</u>	<u>82,005</u>

The aggregate of the assets, liabilities and reserves were:

	2020 £	2019 £
Current Assets	57,670	33,457
Current liabilities	(57,570)	(33,357)
Total reserves	<u>100</u>	<u>100</u>

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

18 Stocks

Group	2020 £	2019 £
Raw materials and consumables	49,020	41,337

Charity

	2020 £	2019 £
Raw materials and consumables	18,838	19,752

19 Debtors

Group	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	5,615	7,668
Other debtors	75,675	15,619
Prepayments and accrued income	-	2,701
	81,290	25,988

Charity

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	5,615	7,668
Amounts due from subsidiary undertakings	26,212	5,230
Other debtors	64,431	35,674
Prepayments and accrued income	-	2,701
	96,268	51,273

20 Creditors: amounts falling due within one year

Group		2020 £	2019 £
	Notes		
Loans and overdrafts	23	9,446	30,389
Other taxation and social security		-	7,473
Deferred income	22	31,831	4,038
Trade creditors		84,783	61,785
Other creditors		15,754	12,229
Accruals		37,106	22,907
		178,920	138,821

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

20 Creditors: amounts falling due within one year (continued)

Charity

	Notes	2020 £	2019 £
Loans and overdrafts	23	9,446	30,389
Other taxation and social security		7,782	7,473
Deferred income	22	31,831	4,038
Trade creditors		57,884	57,393
Other creditors		15,754	12,229
Accruals		32,657	19,228
		<u>155,354</u>	<u>130,750</u>

21 Creditors : amounts falling due after more than one year

Group and Charity

	Notes	2020 £	2019 £
Loans and overdrafts	23	102,590	33,448
Other creditors		6,608	6,083
		<u>109,198</u>	<u>39,531</u>

22 Deferred income

Group and Charity

	2020 £	2019 £
Arising from wayleave income	3,675	4,038
Income received in advance	28,156	-
	<u>31,831</u>	<u>4,038</u>

Deferred income is included in the financial statements as follows:

	2020 £	2019 £
Current liabilities	31,831	4,038
	<u>31,831</u>	<u>4,038</u>

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

23 Loans and overdrafts

Group and charity	2020 £	2019 £
Bank overdrafts	37	20,777
Bank loans	111,999	43,060
	<u>112,036</u>	<u>63,837</u>
Payable within one year	9,446	30,389
Payable after one year	<u>102,590</u>	<u>33,448</u>

24 Retirement benefit schemes

The company operates a defined contribution pension scheme for all qualifying employees. 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. At the year end a balance of £3,210 is included in other creditors (2019 - £nil).

The charge to profit and loss in respect of defined contribution schemes was £9,545 (2019 - £7,316).

25 Endowment funds

	Balance at 1 February 2019 £	Incoming resources £	Balance at 31 January 2020 £
Expendable endowments			
Movements in the year	577	2	579
	<u>577</u>	<u>2</u>	<u>579</u>

The Expendable Endowment Fund from the Commission for New Towns was established in 1994 to fund the management of the freehold property of the railway.

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

26 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 February 2019 £	Resources expended £	Transfers £	Balance at 31 January 2020 £
Friends of the Nene Valley Railway	3,111	-	1,924	5,035
Thomas fund	26,193	-	15,375	41,568
Fletton Loop	1,389	-	(1,389)	-
Legacy fund	25,999	-	18,221	44,220
Track appeal	14,601	-	(12,270)	2,331
Loco 656	17,875	-	25,873	43,748
Wagon Group	1,000	-	-	1,000
Project reserve	111,342	-	(111,342)	-
Carriage and Wagon	-	-	32,547	32,547
Restaurant car	-	(29,031)	80,000	50,969
	201,510	(29,031)	48,939	221,418

Money raised by the Friends of Nene Valley Railway is utilised on specific projects, as agreed by the charity's finance committee.

The Thomas fund has been set up to cover current repairs and overhaul costs.

The Legacy fund has been set up to earmark one off income to be used on specific projects.

Loco 656 funds have been set up to cover cost of the full overhaul.

The Carriage and Wagon fund is set aside to fund the restoration of carriages.

The Restaurant car fund is set aside to fund the restoration and maintenance of the restaurant car.

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

27 Restricted funds

The income funds of the group include restricted funds comprising the following balances of donations and grants held on trust for specific purposes:

	Balance at 1 February 2019 £	Incoming resources £	Resources expended £	Transfers £	Investments gains/ losses £	Balance at 31 January 2020 £
TPO Fund - Cash	37,446	9,602	(14,689)	-	-	32,359
TPO Fund - Assets	4,664	-	(2,202)	-	-	2,462
Loco Shed Extension	641	-	-	(641)	-	-
Thomas	1,270	2,004	-	-	-	3,274
Small Engine Fund	1,378	783	(229)	-	-	1,932
Wansford Old Station	60,994	1,617	-	-	-	62,611
Nene Corridor (Yarwell)	4,431	-	-	-	-	4,431
Museum Fund	3,372	2,391	(1,403)	-	-	4,360
Loco 73050	12,445	390	(13,878)	7,000	-	5,957
Loco 73050 - investment	344,744	11,105	(3,108)	(7,000)	27,938	373,679
Wagon Group	1,300	3,080	(570)	-	-	3,810
Barnwell Building	12,078	1,367	(10,813)	(2,632)	-	-
Track appeal	200	2,110	(757)	(1,553)	-	-
Loco 656	-	19,453	-	(19,453)	-	-
Signal box	14,197	1,079	-	-	-	15,276
Carriage & wagon	13,395	668	(3,689)	(10,374)	-	-
N McGregor's rolling stock	925	-	-	-	-	925
Education Fund	1,466	1,336	(1,024)	-	-	1,778
Loco crew	934	500	(701)	-	-	733
Pit fund	395	100	-	-	-	495
Yarwell	1,000	-	(73)	-	-	927
Yarwell Grantscape	-	15,278	(13,628)	(1,000)	-	650
Grantscape	-	10,469	(10,855)	386	-	-
HLF	25,000	-	(21,968)	-	-	3,032
Operations Department	-	3,431	(1,847)	-	-	1,584
LNER	-	28,549	(29,801)	1,252	-	-
D Crouch	-	1,528	-	-	-	1,528
	542,275	116,840	(131,235)	(34,015)	27,938	521,803

Restricted funds represent specific appeals and donations.

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

27 Restricted funds (Continued)

The balance of £34,821 on the Travelling Post Office Fund is represented by £2,462 of fixed assets and an unexpended balance of £32,359. This fund is to be used for the restoration of the various Travelling Post Office coaches and also includes the funds raised and expended for the Ferry Meadows Night Mail Project, which is to fund a Museum for the Travelling Post Office coaches.

The Wansford Old Station was created to raise funds for the potential improvement and restoration of the old station building.

Loco 73050 fund is to be used for the maintenance and upkeep of Loco 73050.

Signal box funds are to be used for the maintenance and upkeep of the signal box.

The other restricted funds cover a variety of specific donations and appeals relating to specific engines, rolling stock or other projects.

28 Analysis of net assets between funds

	Unrestricted funds 2020 £	Designated funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total 2020 £	Total 2019 £
Fund balances at 31 January 2020 are represented by:						
Tangible assets	1,944,050	-	2,462	-	1,946,512	1,927,987
Investments	-	-	373,679	-	373,679	344,745
Current assets/ (liabilities)	(109,191)	221,418	145,662	579	258,468	267,959
Long term liabilities	(109,198)	-	-	-	(109,198)	(39,531)
	<u>1,725,661</u>	<u>221,418</u>	<u>521,803</u>	<u>579</u>	<u>2,469,461</u>	<u>2,501,160</u>

29 Capital commitments

2020
£

2019
£

At 31 January 2020 the charitable company had capital commitments as follows:

Contracted for but not provided in the financial statements:

Acquisition of property, plant and equipment

29,000 65,000

30 Control

The charity is a company limited by guarantee and has no share capital.

The liability of each member in the event of winding up is £1.

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

31 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2020	2019
	£	£
Aggregate compensation	38,330	36,318

Transactions with related parties

During the year the charity received some donations from trustees.

32 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	7,446	6,519
Between two and five years	13,039	19,558
	20,485	26,077

33 Cash flow from operating activities

	2020	2019
	£	£
(Deficit)/Surplus for the year	(31,699)	38,237
Adjustments for:		
Investment income recognised in statement of financial activities	(11,902)	(12,024)
Interest paid	31,642	42,362
Gain on disposal of investments	(13,878)	(414)
Fair value gains and losses on investments	(14,060)	15,650
Depreciation and impairment of tangible fixed assets	38,280	15,917
Movements in working capital:		
Decrease/(increase) in stocks	(7,683)	3,440
Decrease/(increase) in debtors	(55,302)	33,703
(Decrease)/increase in creditors	61,567	(178,776)
Net cash outflow from operating activities	(3,035)	(41,905)

NENE VALLEY RAILWAY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

34 Analysis of changes in net debt

	As at 1 February 2019 £	Cash flows £	Other non-cash movements £	As at 31 January 2020 £
Cash	339,455	(32,377)	-	307,078
Overdraft	(20,777)	20,740	-	(37)
Loans due within one year	(9,612)	203	-	(9,409)
Loans due after one year	(33,448)	(69,142)	-	(102,590)
	<u>275,618</u>	<u>(80,576)</u>	<u>-</u>	<u>195,042</u>