

Registered number: 01850832
Charity number: 514939

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

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SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023

Trustees

A J Hallington
I H Millward
D Granath, Chair
K B S Malone
I Howatt
D J Smith (appointed 31 October 2022)
P S Austen
F J Shaw (appointed 10 July 2023)

Company registered number
01850832

Charity registered number
514939

Registered office
The Railway Station
Alston
Cumbria
CA9 3JB

Accountants
Full Circle Accountancy Limited
The Office
Mardale Road
Penrith
Cumbria
CA11 9EH

Bankers
Santander
Bridle Road
Bootle
Merseyside
L30 4GB

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report together with the financial statements of the South Tynedale Railway Preservation Society for the year 1 April 2022 to 31 March 2023. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Preface

This trustees' report deals with the year ending 31st March 2023 and significant post year end events and aims to describe the ability of the charity (also known as the Society) to deliver its objectives.

The Society ran trains from April until the end of October 2022 with further Santa Specials in December. Trains recommenced in April 2023 and at the time of writing (October 2023) we are coming to the end of a successful season with Santa Specials still to come in December.

In the light of our achievements in the year to 31st March 2023 and the 2023 running season the Society which is a charitable company remains a going concern and it is planned that it will operate the railway in 2024, reopening in Easter of that year.

It should be borne in mind that the railway is in this financial position because it is, apart from some freelance support, entirely run by volunteers who give freely of their time.

Above all the primary aim of the Society is to run a safe railway and this is the overriding consideration in all operational, marketing and financial activities.

Objectives and activities

● Policies and objectives

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Public benefit is achieved by the provision of heritage, recreational, economic, and leisure activities to the general public and the provision of fulfilling activities for volunteering. In doing this the Society strives to involve and provide services to all members of the community.

The original objectives of the Society as stated in the Memorandum and Articles of Association of 2010 still apply. A prime objective is maintaining a timetabled passenger train service and in so doing to earn the fare and other income required to support the Society's activities.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Objectives and activities (continued)

• **Volunteers**

Maintenance of track and infrastructure remains a never ending task with potentially very expensive repairs always lurking just around the corner. This is one of our major risks. However we have a devoted group of gardening, building, permanent way and infrastructure volunteers who work all year round to keep the railway in good order. Similarly, the engineering volunteers do much work behind the scenes to maintain and improve our locos and rolling stock.

The work of the volunteers is supplemented by a number of freelance contractors who provide specialist support in finance, engineering and marketing.

The Society is governed by its volunteer trustees who are also directors of the charitable company. The trustees carry the responsibility for everything that happens on the railway as well as being responsible for its good governance and strategic direction. This means that trustee board meetings address the big issues affecting the railway. The day to day management is delegated to a smaller sub group of trustees who also act as managers of different aspects of the railway.

While we have also been fortunate in strengthening the membership of the board of trustees by appointing new trustees in 2022 and 2023. We have to acknowledge that the present group of trustees is at the older end of the age range and succession planning to recruit the next generation of trustees is a priority for 2024.

A significant task remains to recruit more and younger operational volunteers in order that we may run the railway in a reliable manner. We have to look beyond the railway enthusiast community to the wider public who want to make a contribution to the life of their community. Our volunteer cohort tends to be male and more senior in years and we must diversify in order to reach a much wider group. Otherwise we will be losing out on what the community has to offer the railway.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance

● **Review of the 2022 and 2023 seasons**

Trading during 2022/23 and into the 2023 season has been encouraging although we feel we can always do better in terms of passenger numbers. We carried about 7,200 passengers in the 2022 season and we are likely to carry about 8,500 in the 2023 season. Both years including the Santa Specials. While this is encouraging we have to carry more passengers if the railway is to become financially viable over the long term. We have to generate funds for major repairs as well as running costs and eventually have funds to employ staff again.

In order to achieve the necessary increase in income more effective marketing will be a priority in the coming year and will be achieved by developing the scope and effectiveness of the Marketing Group that has operated throughout 2023.

Steam services were run using Green Dragon and in 2023 the newly rebuilt Barber. We have generally been able to find steam crews with several new recruits coming on to the steam roster. When we have not been able to find steam crews our battery electric locos (Newcastle and Carlisle) and diesel loco (Old Rusty) have been good, reliable standbys.

It should be noted that Barber's boiler ticket expires in November 2024 and Green Dragon's boiler ticket expires in November 2025 and we have to start planning now to fund the required replacement boilers. It remains an objective to complete steam locomotive NAKLO in 2024.

We ran a pre season operational refresher week with our Independent Competent Person in March 2023 and most operational volunteers were able to attend and those that could not were dealt with individually as the season commenced.

The ten mile round trip to Slaggyford and back is proving to be a popular tourist attraction with car parking and café facilities at both ends of the line and a trip long enough to enjoy the South Tyne Valley but not too long for families. Our 2023 all day Rover tickets have proved very popular allowing passengers to hop on and hop off and walk on the South Tyne Trail which runs alongside the railway.

The Society's policy to lease the Crossings Café at Alston has continued although the current tenants will leave at the end of March 2024 with new tenants taking over at the beginning of the 2024 season. This leasing arrangement allows the Society to get on with its core business of running the railway. The Little Buffet Car at Slaggyford is also operated by an independent provider and again this has been successful, providing a destination at the end of the line. Both operations add a great deal to our offer of a great day out.

The Society has, as one of its founding objects, the power to pursue the reinstatement of the entire railway line from Alston to Haltwhistle. It has become apparent to the trustees that the Society does not have the capacity or the funds to achieve this objective in the foreseeable future.

The structures on the line north of Slaggyford, Lambley Viaduct and Alston Arches as well as Haltwhistle goods yard are in the possession of the Society and are well used by the public. They will require specialist involvement at some point in order to keep the viaducts safe and sound. At the time of writing we are investigating the transfer of these assets to third party organisations who have the skills and resources to look after them, thus freeing up the Society to concentrate on its core business and removing the risk of very expensive repair bills that we could not afford.

It has become apparent over the past year that the expectation of the public and regulatory bodies is that heritage and tourist railways are businesses that must be professionally run and where the safety of the public, staff and volunteers is the paramount consideration. In order to meet this requirement the railway has established a new Safety Management Group. This is a sub group of the board of trustees and is charged with developing safety governance, culture, policies and procedures within the railway.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance (continued)

● **Investment policy and performance**

The Trustees operate within the governing document, the Memorandum and Articles of Association having regard to the guidance provided by the Charity Commission and act in accordance with the Trustees Act 2000.

Financial review

● **Going concern**

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the financial year 2023/24 and into the 2024 operating season. The popularity of the railway as a tourist attraction has provided levels of income that cover most operating costs and the sale of unused and redundant equipment has provided a cash boost. For this reason the trustees continue to adopt the going concern basis in preparing their financial statements.

● **Reserves policy**

The Trustees aim to ensure that sufficient levels of free reserves are maintained to continue the operation of the railway for three months should all other sources of income cease. This equates to a sum of approximately £40,000 for essential running costs and three months bank loan repayments.

The level of unrestricted funds has been enhanced by the sale of surplus equipment in 2022/23 and in the subsequent year. Items disposed of include a redundant battery electric loco chassis and the dismantled Matheran Indian hill locomotive no 740.

● **Depreciation**

The depreciation policy of the Society is shown in note 2.5 to the accounts. The depreciation charge for the year in question shown in note 11 totalled £89,088 based upon the application of the depreciation rates for the various assets held by the Society.

● **Financial review**

A full description of the financial performance and position of the Society is given in the Statement of Financial Activities (SOFA) and Balance Sheet and notes shown later in the accounts.

In summary the income of the Society in 2022/23 was £150,547 and the expenditure was £159,719 resulting in a deficit as shown on the SOFA of £9,172. Total funds of the Society brought forward at 1st April 2022 were £3,005,187 and total funds carried forward at 31st March 2023 were £2,996,015.

During the year in question the Santander bank loan became due for final repayment on 30th June 2022. The sum to be repaid was £242,518. The Society was unable to repay this sum and therefore rolled over the balance into a new loan agreement with the bank. This involved taking a further 5 year loan of £245,589 at base rate plus 4.5%. This resulted in monthly repayments of £2,040 from 1st July 2022 and these have steadily risen throughout 2022/23 and from April 2023 onwards with the increase in base rate. The balance of the loan at 31st March 2023 was £239,806.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

● **Principal risks and uncertainties**

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the governance, operation and finances of the Society. Risks are managed by the Trustees and there is a comprehensive risk register.

The most serious risks at this time are seen as:

- A failure of the safety governance of the railway that leads to unsafe working and possibly criminal prosecution
- Inability to trade on at least a break even basis leading to the Society's financial failure
- A failure of the corporate governance of the railway that leads to the inability to deliver the Society's charitable objectives
- A lack of operational volunteers which leads to the inability to run trains on a reliable basis
- Requirement for major infrastructure repairs that the Society cannot afford

Structure, governance and management

● **Constitution**

South Tynedale Railway Preservation Society is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

● **Governance**

The governance of the Society is the responsibility of the trustees who are elected by the members of the Society at the annual general meeting or coopted by the trustees as necessary between annual general meetings in accordance with the terms of the Articles of Association.

Potential new trustees are interviewed by the present trustees who then recommend or not their appointment to the members at the annual general meeting.

The Society has a Company Secretary who is also a trustee.

The Society has a Treasurer and Membership Secretary who are officers but not trustees.

New trustees are provided with the following documents:

- The Memorandum and Articles of Association
- The most recent charity accounts
- The Charity Commission publication CC3 The Essential Trustee
- The Charity Commission Code of Good Governance
- The Office of Road and Rail publication RM3 as applicable to heritage railways

Each trustee upon appointment signs the declaration to confirm that they are not automatically disqualified from being a trustee and they also complete a declaration of interests.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management (continued)

● **Policies adopted for the induction and training of Trustees**

The governance of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. Trustees are appointed by Members at the Annual General Meeting (AGM); if there are more candidates than vacancies then a ballot takes place; if there are fewer candidates than vacancies then a ballot will not be held unless requested by the Members attending the AGM. The Chairman and Deputy Chairman are also appointed by the members at the AGM for a term of three years. One third of the other trustees retire by rotation at each AGM. Retiring Trustees may be re-appointed, except for a restriction of re-appointment of a retiring Chairman. If there is a vacancy during the year the Board may appoint a Member to serve until the next AGM.

● **Pay policy for senior staff**

The Society has no current employees.

● **Related party relationships**

The Society is a registered charitable company limited by guarantee where every member's liability is limited to £1. There is a wholly owned subsidiary, The South Tynedale Charitable Community Benefit Society Ltd. This was established to aid the extension of the railway to Haltwhistle and the South Tynedale Railway Preservation Society is the parent to the community benefit society. The community benefit society is currently dormant,

● **Financial risk management**

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

● **Trustees' indemnities**

The charity holds a standard insurance policy which includes a trustees' indemnity against any liability in connection with any negligence, default, breach of duty or breach of trust in relation to the charity.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Plans for future periods

The top aims of the Society for 2023/24 and the following year are:

Governance

- To continue to ensure the good governance of the Society in order that it can effectively deliver its objectives and public benefit
- To recruit new trustees with appropriate knowledge and skills to take the Society forward in order to ensure that it has a viable future
- To strive to ensure the composition of the trustee group reflects the wider community that the railway serves

Safety

- To run a railway in which safety is the paramount consideration and is characterised by a safety culture which is understood and supported by everyone involved
- Through the Safety Management Group to continue to develop and adhere to the safety management system, rulebook and all associated documentation

Operations

- To trade on at least a break even basis and to plan, through increased service levels and train occupancy, to generate an operating surplus in order to build a repair fund for structures and equipment and to move to a situation where the railway is able to employ paid staff as necessary
- To recruit new operational volunteers using all the talents available in the community to ensure the continued existence of the railway
- To develop a fundraising strategy for the replacement of Barber and Green Dragon boilers
- To return "NAKLO" to steam.

Marketing

- Through the Marketing Group to further develop the profile of the railway in order to increase occupancy levels on the trains we run.

Members' liability

The Members of the Charity guarantee to contribute an amount not exceeding £1 to the assets of the Charity in the event of winding up.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Statement of Trustees' responsibilities

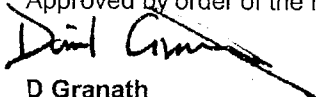
The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



D Granath
(Chair of Trustees)
Date: 6 November 2023

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SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SOUTH TYNEDALE RAILWAY
PRESERVATION SOCIETY ('the Charity')**

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 March 2023.

RESPONSIBILITIES AND BASIS OF REPORT

As the Trustees of the Charity (and 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 Charity 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 the Charity's accounts 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

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 Charity 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.

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed:

Dated: 6 November 2023

Jonathan Miller

FCA DChA

FULL CIRCLE ACCOUNTANCY LIMITED

Chartered Accountants

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	3	16,400	7,500	23,900	70,552
Other trading activities	4	96,225	-	96,225	55,518
Investments	5	15,969	-	15,969	5,126
Other income	6	14,453	-	14,453	5,726
Total income		143,047	7,500	150,547	136,922
Expenditure on:					
Charitable activities	7	74,747	84,972	159,719	281,524
Total expenditure		74,747	84,972	159,719	281,524
Net income/(expenditure)		68,300	(77,472)	(9,172)	(144,602)
Transfers between funds	17	510,936	(510,936)	-	-
Net movement in funds		579,236	(588,408)	(9,172)	(144,602)
Reconciliation of funds:					
Total funds brought forward		(221,698)	3,226,885	3,005,187	3,149,789
Net movement in funds		579,236	(588,408)	(9,172)	(144,602)
Total funds carried forward		357,538	2,638,477	2,996,015	3,005,187

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

The notes on pages 15 to 28 form part of these financial statements.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)
REGISTERED NUMBER: 01850832

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	11	3,049,692	3,148,015
		<u>3,049,692</u>	<u>3,148,015</u>
Current assets			
Stocks	12	4,638	4,051
Debtors	13	23,752	15,388
Cash at bank and in hand		170,907	117,594
		<u>199,297</u>	<u>137,033</u>
Creditors: amounts falling due within one year	14	(20,760)	(40,193)
Net current assets		<u>178,537</u>	<u>96,840</u>
Total assets less current liabilities		<u>3,228,229</u>	<u>3,244,855</u>
Creditors: amounts falling due after more than one year	15	(232,214)	(239,668)
Net assets excluding pension asset		<u>2,996,015</u>	<u>3,005,187</u>
Total net assets		<u><u>2,996,015</u></u>	<u><u>3,005,187</u></u>
Charity funds			
Restricted funds	17	2,638,477	3,226,885
Unrestricted funds	17	357,538	(221,698)
Total funds		<u><u>2,996,015</u></u>	<u><u>3,005,187</u></u>

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY

**(A company limited by guarantee)
REGISTERED NUMBER: 01850832**

**BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023**

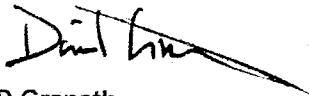
The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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

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

The financial statements were approved and authorised for issue by the Trustees on 06 November 2023 and signed on their behalf by:



D Granath
(Chair of Trustees)

The notes on pages 15 to 28 form part of these financial statements.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)
REGISTERED NUMBER: 01850832

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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

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

The financial statements were approved and authorised for issue by the Trustees on 06 November 2023 and signed on their behalf by:

D Granath
(Chair of Trustees)

The notes on pages 15 to 28 form part of these financial statements.

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	£	£
Cash flows from operating activities		
Net cash used in operating activities	(28,689)	4,002
	<hr/>	<hr/>
Cash flows from investing activities		
Dividends, interests and rents from investments	23,208	10,853
Proceeds from the sale of tangible fixed assets	85,500	3,017
Purchase of tangible fixed assets	(3,140)	(6,050)
	<hr/>	<hr/>
Net cash provided by investing activities	105,568	7,820
	<hr/>	<hr/>
Cash flows from financing activities		
Repayments of borrowing	(9,401)	(14,659)
Interest paid	(14,165)	(7,008)
	<hr/>	<hr/>
Net cash used in financing activities	(23,566)	(21,667)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	53,313	(9,845)
Cash and cash equivalents at the beginning of the year	117,594	127,439
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	170,907	117,594
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 15 to 28 form part of these financial statements

SOUTH TYNEDALE RAILWAY PRESERVATION SOCIETY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. GENERAL INFORMATION

South Tynedale Railway Preservation Society is a company limited by guarantee, domiciled in England and Wales, registration number 01850832. It is a registered charity number 514939. The company's registered office is The Railway Station, Alston, Cumbria CA9 3JB.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

South Tynedale Railway Preservation Society meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

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FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

Freehold property	- 2% reducing balance (land is not depreciated)
Long-term leasehold property	- 2% reducing balance
Plant and machinery	- 10% reducing balance
Locomotives	- 1% straight line
Track and signalling equipment	- 5% reducing balance
Rolling stock	- 2% reducing balance
Other fixed assets	- 20% reducing balance

2.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and 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.

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FOR THE YEAR ENDED 31 MARCH 2023**

2. ACCOUNTING POLICIES (CONTINUED)

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.10 Financial instruments

The Charity 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Grants				
Eden District Council	-	7,500	7,500	56,879
Karbon Fund	522	-	522	-
Subtotal	522	7,500	8,022	56,879

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

3. INCOME FROM DONATIONS AND LEGACIES (continued)

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Donations	12,111	-	12,111	9,189
Similar incoming resources	3,767	-	3,767	4,484
Subtotal	15,878	-	15,878	13,673
Total 2023	16,400	7,500	23,900	70,552
<i>Total 2022</i>	<i>69,626</i>	<i>926</i>	<i>70,552</i>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

4. INCOME FROM OTHER TRADING ACTIVITIES

Income from non charitable trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Shop, ticket and other sales	96,225	96,225	55,518
	<u>96,225</u>	<u>96,225</u>	
<i>Total 2022</i>	<u>55,518</u>	<u>55,518</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Rental income	12,330	12,330	4,963
Bank interest receivable	3,639	3,639	163
	<u>15,969</u>	<u>15,969</u>	<u>5,126</u>
<i>Total 2022</i>	<u>5,126</u>	<u>5,126</u>	

6. OTHER INCOMING RESOURCES

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Other incoming resources	14,453	14,453	5,726
	<u>14,453</u>	<u>14,453</u>	
<i>Total 2022</i>	<u>5,726</u>	<u>5,726</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Infrastructure	35,554	77,160	112,714	226,490
Train operation	39,193	7,812	47,005	55,034
	<u>74,747</u>	<u>84,972</u>	<u>159,719</u>	<u>281,524</u>
<i>Total 2022</i>	<u>148,806</u>	<u>132,718</u>	<u>281,524</u>	

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Infrastructure	90,914	21,800	112,714	226,490
Train operation	68,596	(21,591)	47,005	55,034
	<u>159,510</u>	<u>209</u>	<u>159,719</u>	<u>281,524</u>
<i>Total 2022</i>	<u>203,648</u>	<u>77,876</u>	<u>281,524</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

ANALYSIS OF DIRECT COSTS

	Infrastructure 2023 £	Train operation 2023 £	Total funds 2023 £	Total funds 2022 £
Depreciation	89,088	-	89,088	155,618
Track and station maintenance	1,826	-	1,826	7,226
Events	-	5,179	5,179	-
Repairs to locomotives	-	21,183	21,183	1,159
Repairs to rolling stock	-	3,386	3,386	598
Site maintenance	-	535	535	7,860
Health and safety	-	-	-	3,508
Rent and rates	-	1,600	1,600	-
Sundry operating costs	-	5,719	5,719	1,858
Coal and diesel	-	6,030	6,030	4,801
Premises expenses	-	9,366	9,366	5,242
Insurance	-	15,598	15,598	15,778
	<u>90,914</u>	<u>68,596</u>	<u>159,510</u>	<u>203,648</u>
<i>Total 2022</i>	<u>174,332</u>	<u>29,316</u>	<u>203,648</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

ANALYSIS OF SUPPORT COSTS

	Infrastructure 2023 £	Train operation 2023 £	Total funds 2023 £	Total funds 2022 £
Marketing	-	6,365	6,365	9,116
Telephone	-	1,223	1,223	1,285
Office costs	-	8,321	8,321	2,257
Premises expenses	4,566	22,681	27,247	25,034
Sundry and other costs	-	3,107	3,107	3,725
Legal and professional	-	8,212	8,212	28,628
Finance costs	14,164	-	14,164	7,008
Profit on disposal of fixed assets	-	(73,126)	(73,126)	(1,767)
Governance costs	3,070	1,626	4,696	2,590
	<u>21,800</u>	<u>(21,591)</u>	<u>209</u>	<u>77,876</u>
<i>Total 2022</i>	<u><u>52,159</u></u>	<u><u>25,718</u></u>	<u><u>77,876</u></u>	

9. INDEPENDENT EXAMINER'S REMUNERATION

The independent examiner's remuneration amounts to an independent examiner fee of £1,200 (2022 - £1,200).

10. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 March 2023, no Trustee expenses have been incurred (2022 - £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. TANGIBLE FIXED ASSETS

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Track and rolling stock £	Other fixed assets £	Total £
Cost or valuation						
At 1 April 2022	2,421,061	124,611	179,247	2,379,905	11,074	5,115,898
Additions	-	-	3,140	-	-	3,140
Disposals	(11,560)	-	(18,766)	(50,935)	-	(81,261)
At 31 March 2023	<u>2,409,501</u>	<u>124,611</u>	<u>163,621</u>	<u>2,328,970</u>	<u>11,074</u>	<u>5,037,777</u>
Depreciation						
At 1 April 2022	314,695	101,960	155,350	1,390,903	4,975	1,967,883
Charge for the year	39,728	453	3,857	44,928	122	89,088
On disposals	(1,577)	-	(17,956)	(49,353)	-	(68,886)
At 31 March 2023	<u>352,846</u>	<u>102,413</u>	<u>141,251</u>	<u>1,386,478</u>	<u>5,097</u>	<u>1,988,085</u>
Net book value						
At 31 March 2023	<u>2,056,655</u>	<u>22,198</u>	<u>22,370</u>	<u>942,492</u>	<u>5,977</u>	<u>3,049,692</u>
At 31 March 2022	<u>2,106,366</u>	<u>22,651</u>	<u>23,897</u>	<u>989,002</u>	<u>6,099</u>	<u>3,148,015</u>

12. STOCKS

	2023 £	2022 £
Stocks	<u>4,638</u>	<u>4,051</u>

13. DEBTORS

	2023 £	2022 £
Due within one year		
Trade debtors	1,668	15,388
Other debtors	2,350	-
Prepayments and accrued income	19,734	-
	<u>23,752</u>	<u>15,388</u>

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NOTES TO THE FINANCIAL STATEMENTS
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14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loan	7,592	9,539
Trade creditors	2,100	11,467
Other taxation and social security	-	12,078
Accruals and deferred income	11,068	7,109
	20,760	40,193
	20,760	40,193

The bank loan is secured by way of a fixed and floating charge over assets of the charity.

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

	2023	2022
	£	£
Bank loan	232,214	239,668
	232,214	239,668

The bank loan is secured by way of a fixed and floating charge over assets of the charity.

16. FINANCIAL INSTRUMENTS

	2023	2022
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	170,907	117,594
	170,907	117,594

Financial assets measured at fair value through income and expenditure comprise cash and bank balances.

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NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
Unrestricted funds					
General Funds	(221,698)	143,047	(74,747)	510,936	357,538
Restricted funds					
Restricted Fund	3,226,885	7,500	(84,972)	(510,936)	2,638,477
Total of funds	3,005,187	150,547	(159,719)	-	2,996,015

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

17. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 April 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2022 £</i>
Unrestricted funds					
General Funds	(358,269)	135,997	(148,807)	149,381	(221,698)
Restricted funds					
Restricted Fund	3,508,058	926	(132,718)	(149,381)	3,226,885
Total of funds	3,149,789	136,923	(281,525)	-	3,005,187

18. SUMMARY OF FUNDS

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
General funds	(221,698)	143,047	(74,747)	510,936	357,538
Restricted funds	3,226,885	7,500	(84,972)	(510,936)	2,638,477
	3,005,187	150,547	(159,719)	-	2,996,015

SUMMARY OF FUNDS - PRIOR YEAR

	<i>Balance at 1 April 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2022 £</i>
General funds	(358,269)	135,997	(148,807)	149,381	(221,698)
Restricted funds	3,508,058	926	(132,718)	(149,381)	3,226,885
	3,149,789	136,923	(281,525)	-	3,005,187

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	411,215	2,638,477	3,049,692
Current assets	199,297	-	199,297
Creditors due within one year	(20,760)	-	(20,760)
Creditors due in more than one year	(232,214)	-	(232,214)
Total	<u>357,538</u>	<u>2,638,477</u>	<u>2,996,015</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	-	3,148,015	3,148,015
Current assets	58,163	78,870	137,033
Creditors due within one year	(40,193)	-	(40,193)
Creditors due in more than one year	(239,668)	-	(239,668)
Total	<u>(221,698)</u>	<u>3,226,885</u>	<u>3,005,187</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)	(9,172)	(144,602)
Adjustments for:		
Depreciation charges	89,088	155,618
Dividends, interests and rents from investments	(23,207)	(10,853)
Profit on the sale of fixed assets	(73,126)	(1,766)
Increase in stocks	(587)	(4,051)
Increase in debtors	(8,364)	(9,720)
Increase/(decrease) in creditors	(17,486)	12,368
Interest paid	14,165	7,008
Net cash provided by/(used in) operating activities	(28,689)	4,002

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash in hand	82	60
Notice deposits (less than 3 months)	170,825	117,534
Total cash and cash equivalents	170,907	117,594

22. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	117,594	53,313	170,907
Debt due within 1 year	(9,539)	1,947	(7,592)
Debt due after 1 year	(239,668)	7,454	(232,214)
	(131,613)	62,714	(68,899)