

Company registration number: 02188631

Charity registration number: 1076037

# Vale of Rheidol Railway Limited

(A company limited by share capital)

Annual Report and Financial Statements

for the Year Ended 31 December 2022

MMO Limited  
Wellesley House  
204 London Road  
Waterlooville  
Hampshire  
PO7 7AN

# **Vale of Rheidol Railway Limited**

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## **Vale of Rheidol Railway Limited**

### **Reference and Administrative Details**

|                                    |  |
|------------------------------------|--|
| <b>Trustees</b>                    | Dr C R H Higgs                           |
|                                    | Mr L A Iolo                              |
|                                    | Mr C S Langer                            |
|                                    | Mr P J N Ellis                           |
| <b>Charity Registration Number</b> | 1076037                                  |
| <b>Company Registration Number</b> | 02188631                                 |
| <b>Registered Office</b>           | The charity is incorporated in England . |
|                                    | Park Avenue                              |
|                                    | Aberystwth                               |
|                                    | Ceredigion                               |
| <b>Principal Office</b>            | SY23 1PG                                 |
|                                    | Park Avenue                              |
|                                    | Aberystwth                               |
|                                    | Ceredigion                               |
| <b>Auditor</b>                     | SY23 1PG                                 |
|                                    | MMO Limited                              |
|                                    | Wellesley House                          |
|                                    | 204 London Road                          |
| <b>Bankers</b>                     | Waterlooville                            |
|                                    | Hampshire                                |
|                                    | PO7 7AN                                  |
|                                    | Royal Bank of Scotland                   |
|                                    | Guildford                                |
|                                    | 10 North Street                          |
|                                    | Guildford                                |
|                                    | GU1 4AQ                                  |
|                                    | Santander                                |
|                                    | Customer Service Centre                  |
|                                    | Bootle                                   |
|                                    | Merseyside                               |
|                                    | L30 4GB                                  |
|                                    | CAF Bank Limited                         |
|                                    | 25 Kings Hill Avenue                     |
|                                    | Kings Hill                               |
|                                    | West Malling                             |
|                                    | Kent                                     |
|                                    | ME19 4JQ                                 |

## Vale of Rheidol Railway Limited

### Strategic Report for the Year Ended 31 December 2022

The trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 December 2022, in compliance with s414C of the Companies Act 2006.

#### Achievements and performance

##### *Key non-financial performance indicators*

Success is measured in passenger numbers, as if these continue to grow the charity can clearly display that it is reaching more people to further its objectives.

#### Financial review

##### *Policy on reserves*

The charity's main activity is the operation of a narrow gauge steam railway. The railway is a working museum which charges fares to passengers in order to maintain its income. The operating costs consist of train running costs, wages, and the maintenance of track, locomotive, rolling stock and buildings.

The cost structure of setting up, financing and operating a railway are of such a magnitude that it is anticipated that the railway will always be able to spend more money in running, maintaining and improvement and development, than it can reasonably be expected to raise from fares, donations and other sundry income.

The trustees do not therefore expect to generate long term or medium term reserves. Any reserves which may be generated during a financial period are expected to be attributed to a future maintenance or development project.

##### *Principal funding sources*

The charity is principally funded by train fares and public donations to the railway and the associated Gift Aid that can be claimed from this. It is also funded by various grants as and when these can be applied for and awarded. The charity is also financially supported by its parent the Phyllis Rampton Narrow Gauge Railway Trust.

The strategic report was approved by the trustees of the charity on 10/10/2023 and signed on its behalf by:



.....  
Mr L A Iolo  
Trustee

# Vale of Rheidol Railway Limited

## Trustees' Report

### Vale of Rheidol Railway Limited

#### Trustees Report

The Trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 December 2022.

#### Objectives and activities

##### *Objects and aims*

The charitable company's activity is the provision of a working museum by the operation of a narrow-gauge railway line and associated station and maintenance facilities between Aberystwyth and Devils Bridge, Ceredigion.

The charity's main objectives are:

The provision of a working museum by operating as a narrow-gauge railway line and associated stations between Aberystwyth and Devils Bridge, Ceredigion; including its associated station, workshop and museum assets.

To advance the education of the public and to promote research (including the publication of the useful results of such research) in matters concerning narrow gauge railways and in particular the narrow gauge railway in the County of Ceredigion which extends from Aberystwyth to Devils Bridge and is known as the Vale of Rheidol Railway and of other railways or tramways, rolling stock, machinery and equipment, the historical operations, the restoration and the current operation of the Vale of Rheidol Railway.

The achievement of the objectives will further the charity's purposes by ensuring future community interest in the railway. By growing the presence and increasing visitor numbers the charity is able to educate as many members of the public as possible. All Trustees and senior persons within the charity remain focused on the objectives of the charity.

##### *Objectives, strategies and activities*

In 2022 the railway carried 44,386 passengers (passenger numbers in 2021 were 42,690 - a shorter season post covid).

In April 2022 a newly restored Great Western Railway first class carriage was launched for operation on the railway. The restoration took fourteen months work to complete. The restoration follows the period design of the 1930s with all joinery and marquetry crafted in house at the charity's workshop. Seats were also crafted in traditional materials and techniques with cloth specially woven to a Great Western Railway period design. Top light windows depict a period first class carriage. In 2022 this first class carriage was available to be booked by the public on two journey times on train running days. In April 2022 work commenced on the restoration of an additional Great Western Railway first class carriage.

The charity's Bayer-Garratt locomotive, purchased in 2021, worked its full season on passenger trains in 2022.

This year has seen the start of the redevelopment of the charity's Great Western Railway loco shed into a new Railway Museum and function space in Aberystwyth, anticipated to be completed for opening to the public in late 2023/Spring 2024.

## **Vale of Rheidol Railway Limited**

### **Trustees' Report**

In July 2022 the charity purchased a locomotive – Jung No 1261 of 1908 0-6-2WTT Graf Schwerin Lowitz. It is a valuable and important additions to the charity's collection and will be available for viewing by the public in the new Museum.

#### ***Public benefit***

The Vale of Rheidol Railway operates to demonstrate the operation of a Victorian narrow-gauge railway for the benefit of the public.

The railway is open to all members of the public. The public can benefit from and see the preserved locomotives and rolling stock in operation. Various fare concessions are also available on the railway including discounts for children and large groups and both single and return journey fares are available.

Disabled toilets are available in both Aberystwyth and Devil's Bridge. One open carriage with ramp access and a larger bay on each train set facilities disabled access on all train journeys. The newly restored first-class carriage has one enclosed disabled space available.

The Trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

#### ***Social investment policies***

The charity invests in staff training to ensure vital skills in the running of the railway and restoration of heritage engines and carriages are not lost.

#### ***Apprenticeships***

There are a number of apprentices working at the charity which is something that is hoped to continue and grow in the future.

Apprentices learn skills in engineering and restoration of heritage engines and carriages in the charity's workshop in Aberystwyth, as well as guarding and firing on operating trains.

Two new engineering apprentices were recruited in September 2022 and out of the eleven apprentices recruited between 2012 and 2021 seven have been retained and employed full time in the workshop.

#### ***Grants***

The charity applies for all grants to which it could be entitled to ensure it remains well funded and can continue to work towards its objectives.

The charity received grants from Visit Wales and the Coastal Community Fund as a contribution to the development of Aberystwyth station to include the Great Western Railway loco shed in Aberystwyth into a heritage Railway Museum and event space.

The charity has been supported by the Phyllis Rampton Narrow Gauge Railway Trust (the charity's parent entity) in restoration work on engines and carriages and in improving public access to the railway in Aberystwyth.

# **Vale of Rheidol Railway Limited**

## **Trustees' Report**

### ***Legacy***

Peter John Rampton, the founder of the Phyllis Rampton Narrow Gauge Railway Trust (the charity's parent entity), died on 3 July 2019. His sister Ann Archer generously donated part of his estate to the charity including a number of heritage engines and rolling stock which were received in 2022. The charity plans to place a number of these in the new Museum and aims to restore other for the Museum and/or for operation of the railway.

### ***Use of volunteers***

The charity encourages the use of volunteers where practicable and has seen great success in providing volunteers with roles which provide a sense of achievement and fulfilment.

### ***Going concern***

The Trustees are of the opinion that the charitable company is a going concern.

### ***Trustees and Offices***

The Trustees and officers serving during the year and since the year end were as follows:

Trustees:

Dr C R H Higgs

Mr L A Iolo

Mr C S Langer

Mr P J N Ellis

Mr P Keef (appointed 28 July 2023)

### ***Structure, governance and management***

#### ***Nature of governing document***

The Vale of Rheidol Railway Limited is a charitable company incorporated on 4 November 1987. The charitable company was established under a Memorandum of Association which established the objects and powers of the company and is governed under its Articles of Association.

#### ***Recruitment and appointment of Trustees***

All the Trustees of the charity are directors for the purposes of company law. There is no time limit on how long the Trustees are allowed to serve. The charity seeks to recruit new Trustees with the aim of ensuring that the balance of skills and experience held by the board of Trustees is maintained and relevant to the objectives of the charity.

# **Vale of Rheidol Railway Limited**

## **Trustees' Report**

### ***Induction and training of Trustees***

All the Trustees undergo an induction programme when joining the charity. The subjects covered are the obligations of Trustees; the main documents which set out the operation framework for the charity including the Memorandum and Articles; the financial position and controls as set out in the latest financial statements; future plans and objectives. New Trustees have a meeting all existing Trustees and are provided with copies of the Charity Commission's Guidance – "The essential Trustee: what you need to know, what you need to do" and "Charity Trustee: what's involved". New trustees are also required to complete the Charity Commission's Trustee Eligibility Declaration and HMRC's Fit and Proper Person Declaration.

### ***Arrangements for setting key management personnel remuneration***

There is one remunerated Trustee, for which consent was obtain from the Charity Commission. Aside from the Chief Executive R Gambrill, no other key personnel are remunerated by the charitable company.

### **Statement of trustees' responsibilities**

The trustees (who are also the directors of Vale of Rheidol Railway Limited 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 parent charitable company and the group and of the incoming resources and application of resources, including its income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the parent charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the parent charitable company and the group 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 parent charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



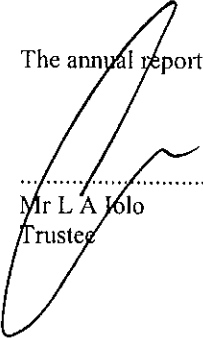
## Vale of Rheidol Railway Limited

### Trustees' Report

#### Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 10/10/2023 and signed on its behalf by:



.....  
Mr L A Iolo  
Trustee

## **Vale of Rheidol Railway Limited**

### **Independent Auditor's Report to the Members of Vale of Rheidol Railway Limited**

#### **Opinion**

We have audited the financial statements of Vale of Rheidol Railway Limited (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (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 charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

#### **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

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

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the 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.

## **Vale of Rheidol Railway Limited**

### **Independent Auditor's Report to the Members of Vale of Rheidol Railway Limited**

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 the 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report.

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

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

#### **Responsibilities of trustees**

As explained more fully in the Statement of trustees' responsibilities (set out on page 6), the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

## **Vale of Rheidol Railway Limited**

### **Independent Auditor's Report to the Members of Vale of Rheidol Railway Limited**

#### **Auditor responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

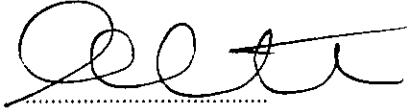
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## Vale of Rheidol Railway Limited

### Independent Auditor's Report to the Members of Vale of Rheidol Railway Limited

#### Use of our report

This report is made solely to the charitable parent company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group'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 parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Mrs Gillian McIntosh (Senior Statutory Auditor)  
For and on behalf of MMO Limited, Statutory Auditor

Wellesley House  
204 London Road  
Waterlooville  
Hampshire  
PO7 7AN

Date: 26/10/2023

## Vale of Rheidol Railway Limited

### Consolidated Statement of Financial Activities for the Year Ended 31 December 2022 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

|                                    | Note | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Endowment<br>funds<br>£ | Total<br>2022<br>£       |
|------------------------------------|------|----------------------------|--------------------------|-------------------------|--------------------------|
| <b>Income and Endowments from:</b> |      |                            |                          |                         |                          |
| Donations and legacies             | 3    | 10,097,452                 | -                        | -                       | 10,097,452               |
| Charitable activities              | 4    | 751,682                    | -                        | -                       | 751,682                  |
| Other trading activities           | 5    | 267,252                    | -                        | -                       | 267,252                  |
| Investment income                  | 6    | 16,526                     | -                        | -                       | 16,526                   |
| Other income                       | 7    | 3,367                      | -                        | -                       | 3,367                    |
| Total income                       |      | <u>11,136,279</u>          | <u>-</u>                 | <u>-</u>                | <u>11,136,279</u>        |
| <b>Expenditure on:</b>             |      |                            |                          |                         |                          |
| Charitable activities              | 8    | <u>(1,306,685)</u>         | <u>-</u>                 | <u>-</u>                | <u>(1,306,685)</u>       |
| Total expenditure                  |      | <u>(1,306,685)</u>         | <u>-</u>                 | <u>-</u>                | <u>(1,306,685)</u>       |
| Net income                         |      | 9,829,594                  | -                        | -                       | 9,829,594                |
| Transfers between funds            |      | <u>651,551</u>             | <u>(651,551)</u>         | <u>-</u>                | <u>-</u>                 |
| Net movement in funds              |      | 10,481,145                 | (651,551)                | -                       | 9,829,594                |
| <b>Reconciliation of funds</b>     |      |                            |                          |                         |                          |
| Total funds brought forward        |      | <u>2,139,301</u>           | <u>651,551</u>           | <u>633,650</u>          | <u>3,424,502</u>         |
| Total funds carried forward        | 23   | <u><u>12,620,446</u></u>   | <u><u>-</u></u>          | <u><u>633,650</u></u>   | <u><u>13,254,096</u></u> |

The notes on pages 17 to 38 form an integral part of these financial statements.

## Vale of Rheidol Railway Limited

### Consolidated Statement of Financial Activities for the Year Ended 31 December 2022 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

|                                    | Note | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Endowment<br>funds<br>£ | Total<br>2021<br>£ |
|------------------------------------|------|----------------------------|--------------------------|-------------------------|--------------------|
| <b>Income and Endowments from:</b> |      |                            |                          |                         |                    |
| Donations and legacies             | 3    | 1,078,213                  | -                        | -                       | 1,078,213          |
| Charitable activities              | 4    | 533,778                    | -                        | -                       | 533,778            |
| Other trading activities           | 5    | 19,189                     | -                        | -                       | 19,189             |
| Investment income                  | 6    | 3,175                      | -                        | -                       | 3,175              |
| Total income                       |      | <u>1,634,355</u>           | <u>-</u>                 | <u>-</u>                | <u>1,634,355</u>   |
| <b>Expenditure on:</b>             |      |                            |                          |                         |                    |
| Charitable activities              | 8    | <u>(824,817)</u>           | <u>-</u>                 | <u>-</u>                | <u>(824,817)</u>   |
| Total expenditure                  |      | <u>(824,817)</u>           | <u>-</u>                 | <u>-</u>                | <u>(824,817)</u>   |
| Net income                         |      | <u>809,538</u>             | <u>-</u>                 | <u>-</u>                | <u>809,538</u>     |
| Net movement in funds              |      | 809,538                    | -                        | -                       | 809,538            |
| <b>Reconciliation of funds</b>     |      |                            |                          |                         |                    |
| Total funds brought forward        |      | <u>1,329,764</u>           | <u>651,551</u>           | <u>633,650</u>          | <u>2,614,965</u>   |
| Total funds carried forward        | 23   | <u>2,139,302</u>           | <u>651,551</u>           | <u>633,650</u>          | <u>3,424,503</u>   |

All of the group's activities derive from continuing operations during the above two periods.

The funds breakdown for 2021 is shown in note 23.

The notes on pages 17 to 38 form an integral part of these financial statements.

# Vale of Rheidol Railway Limited

(Registration number: 02188631)

## Consolidated Balance Sheet as at 31 December 2022

|  | Note | 2022<br>£          | 2021<br>£          |
|--|------|--------------------|--------------------|
| <b>Fixed assets</b>  |      |                    |                    |
| Tangible assets  | 15   | 12,784,620         | 3,975,538          |
| Heritage assets  | 16   | 4,501,891          | 3,298,068          |
| Investments  |      | 70,898             | 56,894             |
|  |      | <u>17,357,409</u>  | <u>7,330,500</u>   |
| <b>Current assets</b>  |      |                    |                    |
| Stocks   | 18   | 5,660              | 4,426              |
| Debtors  | 19   | 530,770            | 418,861            |
| Cash at bank and in hand                                       | 20   | 545,436            | 604,990            |
|  |      | <u>1,081,866</u>   | <u>1,028,277</u>   |
| <b>Creditors: Amounts falling due within one year</b>          | 21   | <u>(132,280)</u>   | <u>(133,592)</u>   |
| <b>Net current assets</b>                                      |      | <u>949,586</u>     | <u>894,685</u>     |
| <b>Total assets less current liabilities</b>                   |      | 18,306,995         | 8,225,185          |
| <b>Creditors: Amounts falling due after more than one year</b> | 22   | <u>(5,052,899)</u> | <u>(4,800,682)</u> |
| <b>Net assets</b>  |      | <u>13,254,096</u>  | <u>3,424,503</u>   |
| <b>Funds of the group:</b>                                     |      |                    |                    |
| <b>Endowment funds</b>   |      | 633,650            | 633,650            |
| <b>Restricted income funds</b>                                 |      |                    |                    |
| Restricted funds   | 23   | -                  | 651,551            |
| <b>Unrestricted income funds</b>                               |      |                    |                    |
| Unrestricted funds   |      | <u>12,620,446</u>  | <u>2,139,302</u>   |
| <b>Total funds</b>   | 23   | <u>13,254,096</u>  | <u>3,424,503</u>   |

The financial statements on pages 12 to 38 were approved by the trustees, and authorised for issue on 10/10/2023 and signed on their behalf by:

.....  
Mr L A Iolo  
Trustee

The notes on pages 17 to 38 form an integral part of these financial statements.



**Vale of Rheidol Railway Limited**  
**(Registration number: 02188631)**  
**Balance Sheet as at 31 December 2022**

|  | Note | 2022<br>£          | 2021<br>£          |
|--|------|--------------------|--------------------|
| <b>Fixed assets</b>  |      |                    |                    |
| Tangible assets  | 15   | 12,784,620         | 3,975,538          |
| Heritage assets  | 16   | 4,501,891          | 3,298,068          |
| Investments  |      | 70,998             | 56,994             |
|  |      | <u>17,357,509</u>  | <u>7,330,600</u>   |
| <b>Current assets</b>  |      |                    |                    |
| Stocks   | 18   | 5,660              | 4,426              |
| Debtors  | 19   | 530,770            | 418,861            |
| Cash at bank and in hand                                       | 20   | 545,436            | 604,990            |
|  |      | <u>1,081,866</u>   | <u>1,028,277</u>   |
| <b>Creditors: Amounts falling due within one year</b>          | 21   | <u>(132,280)</u>   | <u>(133,592)</u>   |
| <b>Net current assets</b>                                      |      | <u>949,586</u>     | <u>894,685</u>     |
| <b>Total assets less current liabilities</b>                   |      | 18,307,095         | 8,225,285          |
| <b>Creditors: Amounts falling due after more than one year</b> | 22   | <u>(5,052,899)</u> | <u>(4,800,682)</u> |
| <b>Net assets</b>  |      | <u>13,254,196</u>  | <u>3,424,603</u>   |
| <b>Funds of the charity:</b>                                   |      |                    |                    |
| <b>Endowment funds</b>   |      | <u>633,650</u>     | <u>633,650</u>     |
| <b>Restricted income funds</b>                                 |      |                    |                    |
| Restricted funds   | 23   | -                  | 651,551            |
| <b>Unrestricted income funds</b>                               |      |                    |                    |
| Called up share capital  |      | 100                | 100                |
| Unrestricted funds   |      | <u>12,620,446</u>  | <u>2,139,302</u>   |
| <b>Total unrestricted funds</b>                                |      | <u>12,620,546</u>  | <u>2,139,402</u>   |
| <b>Total funds</b>   | 23   | <u>13,254,196</u>  | <u>3,424,603</u>   |

The financial statements on pages 12 to 38 were approved by the trustees, and authorised for issue on 10/10/2023 and signed on their behalf by:

.....  
Mr L A Iolo  
Trustee

The notes on pages 17 to 38 form an integral part of these financial statements.

# Vale of Rheidol Railway Limited

## Statement of Cash Flows for the Year Ended 31 December 2022

|   | Note | 2022<br>£          | 2021<br>£        |
|---|------|--------------------|------------------|
| <b>Cash flows from operating activities</b>                                       |      |                    |                  |
| Net cash income   |      | 9,829,594          | 809,538          |
| <b>Adjustments to cash flows from non-cash items</b>                              |      |                    |                  |
| Depreciation  |      | 55,972             | 88,596           |
| Investment income   | 6    | (16,526)           | (3,175)          |
| Financial instrument net (gains) losses through statement of financial activities |      | (1,183,682)        | (448,591)        |
| Loss on disposal of fixed assets held for the charity's own use                   | 10   | <u>(16,450)</u>    | <u>-</u>         |
|   |      | 8,668,908          | 446,368          |
| <b>Working capital adjustments</b>  |      |                    |                  |
| Increase in stocks  | 18   | (1,234)            | -                |
| Increase in debtors   | 19   | (111,909)          | (188,555)        |
| Decrease in creditors   | 21   | (337)              | (30,998)         |
| Decrease in deferred income   | 22   | <u>-</u>           | <u>(24,749)</u>  |
| Net cash flows from operating activities  |      | <u>8,555,428</u>   | <u>202,066</u>   |
| <b>Cash flows from investing activities</b>                                       |      |                    |                  |
| Interest receivable and similar income  | 6    | 16,526             | 3,175            |
| Purchase of tangible fixed assets   | 15   | (8,999,337)        | (404,811)        |
| Sale of tangible fixed assets   |      | 134,283            | 4,449            |
| Purchase of investments   |      | (19,778)           | (16,773)         |
| Sale of investments   |      | <u>2,082</u>       | <u>4,601</u>     |
| Net cash flows from investing activities  |      | <u>(8,866,224)</u> | <u>(409,359)</u> |
| <b>Cash flows from financing activities</b>                                       |      |                    |                  |
| Repayment of loans and borrowings   | 21   | 252,217            | 529,310          |
| Repayment of capital element of finance leases and HP contracts                   |      | <u>(975)</u>       | <u>(2,897)</u>   |
| Net cash flows from financing activities  |      | <u>251,242</u>     | <u>526,413</u>   |
| Net (decrease)/increase in cash and cash equivalents                              |      | (59,554)           | 319,120          |
| Cash and cash equivalents at 1 January  |      | <u>604,990</u>     | <u>285,870</u>   |
| Cash and cash equivalents at 31 December  |      | <u>545,436</u>     | <u>604,990</u>   |

The notes on pages 17 to 38 form an integral part of these financial statements.

## **Vale of Rheidol Railway Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2022**

#### **1 Charity status**

The charity is limited by share capital, incorporated in England .

The address of its registered office is:

Park Avenue  
Aberystwth  
Ceredigion  
SY23 1PG

The principal place of business is:

Park Avenue  
Aberystwth  
Ceredigion  
SY23 1PG

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

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

##### **Basis of preparation**

Vale of Rheidol Railway Limited 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 notes.

##### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 December 2022.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a profit after tax for the financial year of £9,815,293 (2021 - £809,538).

## **Vale of Rheidol Railway Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2022**

A subsidiary is an entity controlled by the charity. Control is achieved where the charity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the statement of financial activities from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

#### **Going concern**

The trustees consider that there are no material uncertainties about the group's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the group.

#### **Income and endowments**

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 the income receivable can be measured reliably.

#### ***Donations and legacies***

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

## **Vale of Rheidol Railway Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2022**

#### ***Grants receivable***

Grants are recognised when the group has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

#### ***Gifts in kind***

Gifts in kind are recognised in different ways dependent on how they are used by the charity:

- (i) Those donated for resale produce income when they are sold. They are valued at the amount actually realised.
- (ii) Those donated for onward transmission to beneficiaries are included in the Statement of Financial Activities as incoming resources and resources expended when they are distributed. They are valued at the amount the charity would have had to pay to acquire them.
- (iii) Those donated for use by the charity itself are included when receivable. They are valued at the amount the charity would have had to pay to acquire them.

#### ***Expenditure***

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### ***Support costs***

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

#### ***Governance costs***

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

#### ***Taxation***

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

## Vale of Rheidol Railway Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### Tangible fixed assets

Individual fixed assets of any value are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Work completed in the restoration of assets is funded by surpluses from the Vale of Rheidol Railway Limited and loans from the Phyllis Rampton Narrow Gauge Railway Trust.

#### Heritage assets

Owing to the unique nature of the heritage assets, the costs of obtaining valuations would be onerous compared with the corresponding benefits to the charitable company and the users of the financial statements. The heritage assets are therefore shown at original cost and are not depreciated. The objective of heritage assets is to display them in the proposed museum. As much documentation as to the provenance of heritage assets is obtained and retained by the charitable company. Access to the assets is carefully managed in order for preservation.

#### Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

| Asset class                 | Depreciation method and rate  |
|-----------------------------|---|
| Land and Buildings          | Buildings that are under considerable maintenance are not depreciated, others are at rates from 7 to 50 years straight line |
| Plant and machinery         | 10% or 20% or 25% straight line   |
| Motor vehicles              | 20% straight line   |
| Civil engineering and track | 2% straight line on track only  |

#### Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

#### Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

## **Vale of Rheidol Railway Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2022**

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Borrowings**

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

## **Vale of Rheidol Railway Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2022**

#### **Foreign exchange**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in the Statement of Financial Activities in the period in which they arise except for:

- 1) exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- 2) exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- 3) in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the group.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

#### **Financial instruments**

##### ***Classification***

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.



## **Vale of Rheidol Railway Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2022**

#### ***Recognition and measurement***

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

## Vale of Rheidol Railway Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### *Debt instruments*

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

#### *Investments*

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

## Vale of Rheidol Railway Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### *Fair value measurement*

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

#### **3 Income from donations and legacies**

|                            | Unrestricted<br>funds<br>General<br>£ | Total<br>funds<br>£ |
|----------------------------|---------------------------------------|---------------------|
| Donations and legacies;    |                                       |                     |
| Donations from individuals | 847,397                               | 847,397             |
| Gifts in kind              | 9,250,055                             | 9,250,055           |
| <b>Total for 2022</b>      | <u>10,097,452</u>                     | <u>10,097,452</u>   |
| <b>Total for 2021</b>      | <u>1,078,213</u>                      | <u>1,078,213</u>    |

#### **4 Income from charitable activities**

|                       | Unrestricted<br>funds<br>General<br>£ | Total<br>funds<br>£ |
|-----------------------|---------------------------------------|---------------------|
|                       | 751,682                               | 751,682             |
| <b>Total for 2022</b> | <u>751,682</u>                        | <u>751,682</u>      |
| <b>Total for 2021</b> | <u>533,778</u>                        | <u>533,778</u>      |

# Vale of Rheidol Railway Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022

### 5 Income from other trading activities

|                       | Unrestricted<br>funds<br>General<br>£ | Total<br>funds<br>£ |
|-----------------------|---------------------------------------|---------------------|
| Trading income;       |                                       |                     |
| Other trading income  | 267,252                               | 267,252             |
| <b>Total for 2022</b> | <b>267,252</b>                        | <b>267,252</b>      |
| <b>Total for 2021</b> | <b>19,189</b>                         | <b>19,189</b>       |

### 6 Investment income

|   | Unrestricted<br>funds<br>General<br>£ | Total<br>funds<br>£ |
|---|---------------------------------------|---------------------|
| Other income from fixed asset investments | 16,526                                | 16,526              |
| <b>Total for 2022</b>                     | <b>16,526</b>                         | <b>16,526</b>       |
| <b>Total for 2021</b>                     | <b>3,175</b>                          | <b>3,175</b>        |

### 7 Other income

|                       | Unrestricted<br>funds<br>General<br>£ | Total<br>funds<br>£ |
|-----------------------|---------------------------------------|---------------------|
| Rental income         | 3,367                                 | 3,367               |
| <b>Total for 2022</b> | <b>3,367</b>                          | <b>3,367</b>        |

## Vale of Rheidol Railway Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 8 Expenditure on charitable activities

|                         | Note | Unrestricted<br>funds<br>General<br>£ | Total<br>funds<br>£     |
|-------------------------|------|---------------------------------------|-------------------------|
| Train costs             |      | 556,851                               | 556,851                 |
| Staff costs             |      | 202,357                               | 202,357                 |
| Allocated support costs | 9    | 314,808                               | 314,808                 |
| Governance costs        | 9    | <u>232,669</u>                        | <u>232,669</u>          |
| <b>Total for 2022</b>   |      | <u><u>1,306,685</u></u>               | <u><u>1,306,685</u></u> |
| <b>Total for 2021</b>   |      | <u><u>824,817</u></u>                 | <u><u>824,817</u></u>   |

In addition to the expenditure analysed above, there are also governance costs of £232,669 (2021 - £235,130) which relate directly to charitable activities. See note 9 for further details.

#### 9 Analysis of governance and support costs

##### Governance costs

|  | Unrestricted<br>funds<br>General<br>£ | Total<br>funds<br>£   |
|--|---------------------------------------|-----------------------|
| Staff costs  |                                       |                       |
| Wages and salaries                                 | 132,036                               | 132,036               |
| Audit fees   |                                       |                       |
| Audit of the financial statements                  | 6,656                                 | 6,656                 |
| Legal fees   | 3,761                                 | 3,761                 |
| Marketing and publicity                            | 17,794                                | 17,794                |
| Depreciation, amortisation and other similar costs | <u>72,422</u>                         | <u>72,422</u>         |
| <b>Total for 2022</b>                              | <u><u>232,669</u></u>                 | <u><u>232,669</u></u> |
| <b>Total for 2021</b>                              | <u><u>235,130</u></u>                 | <u><u>235,130</u></u> |

## Vale of Rheidol Railway Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 10 Net incoming/outgoing resources

Net incoming resources for the year include:

|   | 2022          | 2021          |
|---|---------------|---------------|
|   | £             | £             |
| Audit fees  | 6,656         | 11,304        |
| Loss on disposal of fixed assets held for the group's own use | 16,450        | -             |
| Depreciation of fixed assets                                  | <u>55,972</u> | <u>88,597</u> |

#### 11 Trustees remuneration and expenses

During the year the group made the following transactions with trustees:

##### Mr L A Iolo

Mr L A Iolo received remuneration of £68,000 (2021: £55,000) during the year.

The remuneration was agreed at board level and approval obtained from the Charity Commission.

No trustees have received any other benefits from the charity during the year.

## Vale of Rheidol Railway Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 12 Staff costs

The aggregate payroll costs were as follows:

|  | 2022<br>£      | 2021<br>£      |
|--|----------------|----------------|
| <b>Staff costs during the year were:</b> |                |                |
| Wages and salaries                       | 325,521        | 212,099        |
| Other staff costs                        | <u>8,872</u>   | <u>6</u>       |
|  | <u>334,393</u> | <u>212,105</u> |

The monthly average number of persons (including senior management / leadership team) employed by the group during the year expressed as full time equivalents was as follows:

|                            | 2022<br>No | 2021<br>No |
|----------------------------|------------|------------|
| Operation of the railway   | 35         | 35         |
| Administration and support | <u>5</u>   | <u>5</u>   |
|                            | <u>40</u>  | <u>40</u>  |

29 (2021 - 29) of the above employees participated in the Defined Contribution Pension Schemes.

The number of employees whose emoluments fell within the following bands was:

|                   | 2022<br>No |
|-------------------|------------|
| £60,001 - £70,000 | <u>2</u>   |

#### 13 Auditors' remuneration

|                                   | 2022<br>£    | 2021<br>£     |
|-----------------------------------|--------------|---------------|
| Audit of the financial statements | <u>6,656</u> | <u>11,304</u> |

## **Vale of Rheidol Railway Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2022**

#### **14 Taxation**

The group is a registered charity and is therefore exempt from taxation.



# Vale of Rheidol Railway Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022

### 15 Tangible fixed assets

#### Group

|                       | Land and<br>buildings<br>£ | Furniture and<br>equipment<br>£ | Motor vehicles<br>£ | Total<br>£ |
|-----------------------|----------------------------|---------------------------------|---------------------|------------|
| <b>Cost</b>           |                            |                                 |                     |            |
| At 1 January 2022     | 3,660,469                  | 1,281,307                       | -                   | 4,941,776  |
| Additions             | 8,821,640                  | 36,447                          | 141,250             | 8,999,337  |
| Disposals             | -                          | (2,833)                         | (131,450)           | (134,283)  |
| At 31 December 2022   | 12,482,109                 | 1,314,921                       | 9,800               | 13,806,830 |
| <b>Depreciation</b>   |                            |                                 |                     |            |
| At 1 January 2022     | 263,326                    | 702,912                         | -                   | 966,238    |
| Charge for the year   | -                          | 55,972                          | -                   | 55,972     |
| At 31 December 2022   | 263,326                    | 758,884                         | -                   | 1,022,210  |
| <b>Net book value</b> |                            |                                 |                     |            |
| At 31 December 2022   | 12,218,783                 | 556,037                         | 9,800               | 12,784,620 |
| At 31 December 2021   | 3,397,143                  | 578,395                         | -                   | 3,975,538  |

#### Charity

|                       | Land and<br>buildings<br>£ | Furniture and<br>equipment<br>£ | Motor vehicles<br>£ | Total<br>£ |
|-----------------------|----------------------------|---------------------------------|---------------------|------------|
| <b>Cost</b>           |                            |                                 |                     |            |
| At 1 January 2022     | 3,660,469                  | 1,281,307                       | -                   | 4,941,776  |
| Additions             | 8,821,640                  | 36,447                          | 141,250             | 8,999,337  |
| Disposals             | -                          | (2,833)                         | (131,450)           | (134,283)  |
| At 31 December 2022   | 12,482,109                 | 1,314,921                       | 9,800               | 13,806,830 |
| <b>Depreciation</b>   |                            |                                 |                     |            |
| At 1 January 2022     | 263,326                    | 702,912                         | -                   | 966,238    |
| Charge for the year   | -                          | 55,972                          | -                   | 55,972     |
| At 31 December 2022   | 263,326                    | 758,884                         | -                   | 1,022,210  |
| <b>Net book value</b> |                            |                                 |                     |            |
| At 31 December 2022   | 12,218,783                 | 556,037                         | 9,800               | 12,784,620 |
| At 31 December 2021   | 3,397,143                  | 578,395                         | -                   | 3,975,538  |

# Vale of Rheidol Railway Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022

### 16 Heritage assets

#### Group

|                       | Other heritage<br>asset class 1<br>£ | Total<br>£ |
|-----------------------|--------------------------------------|------------|
| <b>Cost</b>           |                                      |            |
| At 1 January 2022     | 3,298,068                            | 3,298,068  |
| Additions             | 1,210,872                            | 1,210,872  |
| Disposals             | (7,049)                              | (7,049)    |
| At 31 December 2022   | 4,501,891                            | 4,501,891  |
| <b>Depreciation</b>   |                                      |            |
| At 31 December 2022   | -                                    | -          |
| <b>Net book value</b> |                                      |            |
| At 31 December 2022   | 4,501,891                            | 4,501,891  |

#### Charity

|                       | Other heritage<br>asset class 1<br>£ | Total<br>£ |
|-----------------------|--------------------------------------|------------|
| <b>Cost</b>           |                                      |            |
| At 1 January 2022     | 3,298,068                            | 3,298,068  |
| Additions             | 1,210,872                            | 1,210,872  |
| Disposals             | (7,049)                              | (7,049)    |
| At 31 December 2022   | 4,501,891                            | 4,501,891  |
| <b>Depreciation</b>   |                                      |            |
| At 31 December 2022   | -                                    | -          |
| <b>Net book value</b> |                                      |            |
| At 31 December 2022   | 4,501,891                            | 4,501,891  |

### 17 Fixed asset investments

#### Group

|                   | 2022<br>£ | 2021<br>£ |
|-------------------|-----------|-----------|
| Other investments | 70,898    | 56,894    |

# Vale of Rheidol Railway Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022

### Other investments

|                          | Listed<br>investments<br>£ | Total<br>£ |
|--------------------------|----------------------------|------------|
| <b>Cost or Valuation</b> |                            |            |
| At 1 January 2022        | 56,894                     | 56,894     |
| Revaluation              | (3,692)                    | (3,692)    |
| Additions                | 19,778                     | 19,778     |
| Disposals                | (2,082)                    | (2,082)    |
| At 31 December 2022      | 70,898                     | 70,898     |
| <b>Net book value</b>    |                            |            |
| At 31 December 2022      | 70,898                     | 70,898     |
| At 31 December 2021      | 56,894                     | 56,894     |

### Charity

|                   | 2022<br>£ | 2021<br>£ |
|-------------------|-----------|-----------|
| Other investments | 70,898    | 56,894    |

### Shares in group undertakings and participating interests

|                       | Subsidiary<br>undertakings<br>£ | Total<br>£ |
|-----------------------|---------------------------------|------------|
| <b>Cost</b>           |                                 |            |
| At 1 January 2022     | 100                             | 100        |
| At 31 December 2022   | 100                             | 100        |
| <b>Net book value</b> |                                 |            |
| At 31 December 2022   | 100                             | 100        |
| At 31 December 2021   | 100                             | 100        |

## Vale of Rheidol Railway Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### Other investments

|                          | Listed<br>investments<br>£ | Total<br>£     |
|--------------------------|----------------------------|----------------|
| <b>Cost or Valuation</b> |                            |                |
| At 1 January 2022        | 56,894                     | 56,894         |
| Revaluation              | (3,692)                    | (3,692)        |
| Additions                | 19,778                     | 19,778         |
| Disposals                | <u>(2,082)</u>             | <u>(2,082)</u> |
| At 31 December 2022      | <u>70,898</u>              | <u>70,898</u>  |
| <b>Net book value</b>    |                            |                |
| At 31 December 2022      | <u>70,898</u>              | <u>70,898</u>  |
| At 31 December 2021      | <u>56,894</u>              | <u>56,894</u>  |

#### 18 Stock

|        | Group        |              | Charity      |
|--------|--------------|--------------|--------------|
|        | 2022<br>£    | 2021<br>£    | 2022<br>£    |
| Stocks | <u>5,660</u> | <u>4,426</u> | <u>5,660</u> |

#### 19 Debtors

|                             | Group          |                | Charity        |
|-----------------------------|----------------|----------------|----------------|
|                             | 2022<br>£      | 2021<br>£      | 2022<br>£      |
| Trade debtors               | 160,065        | 41,473         | 160,065        |
| Due from group undertakings | 328,000        | 257,936        | 328,000        |
| Prepayments                 | 450            | 450            | 450            |
| VAT recoverable             | 42,255         | 119,001        | 42,255         |
| Other debtors               | <u>-</u>       | <u>1</u>       | <u>-</u>       |
|                             | <u>530,770</u> | <u>418,861</u> | <u>530,770</u> |

# Vale of Rheidol Railway Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022

### 20 Cash and cash equivalents

|              | Group          |                | Charity        |                |
|--------------|----------------|----------------|----------------|----------------|
|              | 2022           | 2021           | 2022           | 2021           |
|              | £              | £              | £              | £              |
| Cash on hand | 6,333          | 4,474          | 6,333          | 4,474          |
| Cash at bank | 539,103        | 600,516        | 539,103        | 600,516        |
|              | <u>545,436</u> | <u>604,990</u> | <u>545,436</u> | <u>604,990</u> |

### 21 Creditors: amounts falling due within one year

|                                    | Group          |                | Charity        |                |
|------------------------------------|----------------|----------------|----------------|----------------|
|                                    | 2022           | 2021           | 2022           | 2021           |
|                                    | £              | £              | £              | £              |
| Trade creditors                    | 44,724         | 57,742         | 44,724         | 57,742         |
| Hire purchase and finance leases   | (298)          | 677            | (298)          | 677            |
| Other taxation and social security | 78,369         | 65,688         | 78,369         | 65,688         |
| Accruals                           | 9,485          | 9,485          | 9,485          | 9,485          |
|                                    | <u>132,280</u> | <u>133,592</u> | <u>132,280</u> | <u>133,592</u> |

### 22 Creditors: amounts falling due after one year

|             | Group            |                  | Charity          |                  |
|-------------|------------------|------------------|------------------|------------------|
|             | 2022             | 2021             | 2022             | 2021             |
|             | £                | £                | £                | £                |
| Other loans | <u>5,052,899</u> | <u>4,800,682</u> | <u>5,052,899</u> | <u>4,800,682</u> |

# Vale of Rheidol Railway Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022

### 23 Funds

#### Group

| Group                     | Balance at 1<br>January<br>2022<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Transfers<br>£ | Balance at<br>31<br>December<br>2022<br>£ |
|---------------------------|--------------------------------------|----------------------------|----------------------------|----------------|---|
| <b>Unrestricted funds</b> |                                      |                            |                            |                |   |
| <i>General</i>            |                                      |                            |                            |                |   |
| General                   | 2,139,302                            | 11,136,279                 | (1,306,686)                | 651,551        | 12,620,446                                |
| <b>Restricted funds</b>   |                                      |                            |                            |                |   |
| Restricted                | 651,551                              | -                          | -                          | (651,551)      | -   |
| <b>Endowment funds</b>    |                                      |                            |                            |                |   |
| <i>Expendable</i>         |                                      |                            |                            |                |   |
| Endowment                 | 633,650                              | -                          | -                          | -              | 633,650                                   |
|                           | 633,650                              | -                          | -                          | -              | 633,650                                   |
| <b>Total funds</b>        | 3,424,503                            | 11,136,279                 | (1,306,686)                | -              | 13,254,096                                |

|                           | Balance at 1<br>January 2021<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Balance at 31<br>December<br>2021<br>£ |
|---------------------------|-----------------------------------|----------------------------|----------------------------|--|
| <b>Unrestricted funds</b> |                                   |                            |                            |  |
| <i>General</i>            |                                   |                            |                            |  |
| General                   | 1,329,764                         | 1,873,846                  | (1,064,308)                | 2,139,302                              |
| <b>Restricted funds</b>   |                                   |                            |                            |  |
| Restricted                | 651,551                           | -                          | -                          | 651,551                                |
| <b>Endowment funds</b>    |                                   |                            |                            |  |
| <i>Expendable</i>         |                                   |                            |                            |  |
| Endowment                 | 633,650                           | -                          | -                          | 633,650                                |
|                           | 633,650                           | -                          | -                          | 633,650                                |
| <b>Total funds</b>        | 2,614,965                         | 1,873,846                  | (1,064,308)                | 3,424,503                              |

# Vale of Rheidol Railway Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022

### Charity

|                           | Balance at 1<br>January<br>2022<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Transfers<br>£ | Balance at<br>31<br>December<br>2022<br>£ |
|---------------------------|--------------------------------------|----------------------------|----------------------------|----------------|---|
| <b>Unrestricted funds</b> |                                      |                            |                            |                |   |
| <i>General</i>            |                                      |                            |                            |                |   |
| Unrestricted              | 2,139,302                            | 11,137,513                 | (1,307,920)                | 651,551        | 12,620,446                                |
| <b>Restricted funds</b>   |                                      |                            |                            |                |   |
| Restricted                | 651,551                              | -                          | -                          | (651,551)      | -   |
| <b>Endowment funds</b>    |                                      |                            |                            |                |   |
| <i>Expendable</i>         |                                      |                            |                            |                |   |
| Endowment                 | 633,650                              | -                          | -                          | -              | 633,650                                   |
|                           | <u>633,650</u>                       | <u>-</u>                   | <u>-</u>                   | <u>-</u>       | <u>633,650</u>                            |
| <b>Total funds</b>        | <u>3,424,503</u>                     | <u>11,137,513</u>          | <u>(1,307,920)</u>         | <u>-</u>       | <u>13,254,096</u>                         |

|                           | Balance at 1<br>January 2021<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Balance at 31<br>December<br>2021<br>£ |
|---------------------------|-----------------------------------|----------------------------|----------------------------|--|
| <b>Unrestricted funds</b> |                                   |                            |                            |  |
| <i>General</i>            |                                   |                            |                            |  |
| Unrestricted              | 1,329,764                         | 1,676,238                  | (866,700)                  | 2,139,302                              |
| <b>Restricted funds</b>   |                                   |                            |                            |  |
| Restricted                | 651,551                           | -                          | -                          | 651,551                                |
| <b>Endowment funds</b>    |                                   |                            |                            |  |
| <i>Expendable</i>         |                                   |                            |                            |  |
| Endowment                 | 633,650                           | -                          | -                          | 633,650                                |
|                           | <u>633,650</u>                    | <u>-</u>                   | <u>-</u>                   | <u>633,650</u>                         |
| <b>Total funds</b>        | <u>2,614,965</u>                  | <u>1,676,238</u>           | <u>(866,700)</u>           | <u>3,424,503</u>                       |

The specific purposes for which the funds are to be applied are as follows:

The endowment fund relates to assets from British Rail as at 1 April 1989.

## Vale of Rheidol Railway Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 24 Analysis of net funds

##### Group

|                          | At 1 January<br>2022<br>£ | At 31<br>December<br>2022<br>£ |
|--------------------------|---------------------------|--------------------------------|
| Cash at bank and in hand | 604,990                   | 604,990                        |
| Net debt                 | 604,990                   | 604,990                        |
|                          | At 1 January<br>2021<br>£ | At 31<br>December<br>2021<br>£ |
| Cash at bank and in hand | 285,870                   | 285,870                        |
| Net debt                 | 285,870                   | 285,870                        |

#### 25 Related party transactions

##### Group

##### Charity

#### 26 Parent and ultimate parent undertaking

The company's immediate parent is Phyllis Rampton Narrow Gauge Railway Trust, incorporated in England.

These financial statements are available upon request from the registered office or the Charity Commission.