

THE NORTH WALES COAST LIGHT RAILWAY LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

THE NORTH WALES COAST LIGHT RAILWAY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	R G Melton C Davies S Hobbs W A J Smith
Charity number	1127261
Company number	06167523
Registered office	Beach Road Fairbourne Gwynedd Wales LL38 2EX
Independent examiner	Moore Rutland House Minerva Business Park Lynch Wood Peterborough PE2 6PZ

THE NORTH WALES COAST LIGHT RAILWAY LIMITED

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THE NORTH WALES COAST LIGHT RAILWAY LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their annual report and financial statements for the year ended 31 December 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The preservation and conservation of the narrow gauge railway at Fairbourne, Gwynedd and all associated buildings of historical and architectural importance. The preservation and conservation of the physical and natural environment at the Penrhyn Peninsular, Gwynedd. The education of the public in the local natural and social history of Fairbourne, the surrounding area and the narrow gauge railway.

The public appeal to raise funds to cover the cost of track was utilised in 2021 with £8,632 being used to purchase new track materials. There was a public appeal to raise funds to buy wheelsets for Yeo and this almost covered the cost in full by raising £11,070. The public appeal to raise funds to bring the loco Beddgelert back into service continues and £2,399 was raised during the year. During 2021 a further Government Grant from the Welsh Heritage Fund was obtained to help support the running costs of the operating subsidiary company which also received further Government Business Grants. Having received a legacy in 2020 from a long term supporter the Charity was very fortunate to receive further amounts in January and June 2021. Renovations to Station buildings commenced in 2020 and were completed in 2021. These included renovating the Point canopy roof at Fairbourne station and relocating the office and ticket office. In June 2019 work commenced on fitting air brakes to passenger carriages and locos. This work will require significant investment, and will be ongoing for several years. By the end of the year, trial installations had been carried out on five carriages and Tony. Parts were on order to equip Sherpa and work continued on this in 2021.

Achievements and performance

The Charity continues to receive donations from dedicated supporters of the Fairbourne Railway and also the general public. This has ensured that everyone can still benefit from travelling on this historic narrow gauge line learning about the history of the railway and enjoying the conservation area at Penrhyn Point. There are good links with local residents, many of whom volunteer their services saving staff time and costs. As already stated, the appeal to buy and fit wheelsets to Yeo totalled £11,070. The ongoing Track Improvement Fund was utilised in 2021 to the tune of £8,632. The appeal to raise funds for restoring Beddgelert to service, referred to above, had raised £8,731 by the end of 2021. The further legacy funds received in 2021 totalled £6,109. In 2020 the Railway had a highly shortened season due to lockdown, During 2021 the Railway was able to open to the public from 27 April. Despite not being able to open for the Easter weekend the response from the public in visitor numbers over the rest of the season was extremely good with a subsequent great improvement in income and overall results. Visitor numbers were 23,400 compared to 9,000 in 2020 and 22,000 in 2019.

Financial review

The Charity's income during the year was derived from passenger fares and donations. Where donors had completed the relevant tax declarations, the charity was able to claim Gift Aid on these donations. During the year, in return for fulfilling its role in running and maintaining the Railway, the Charity remunerated its operating subsidiary, Fairbourne Steam Railway Ltd the sum of £87,300. At the balance sheet date the reserves of £1,038,834 were deemed to be at an appropriate level. At 31st December 2020 the loan balance between The Charity and the operating company stood at £87,700. The Trustees do not consider that a provision is required to be made against the remaining balance of £85,173 owed from the subsidiary as at 31st December 2021.

THE NORTH WALES COAST LIGHT RAILWAY LIMITED

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) *FOR THE YEAR ENDED 31 DECEMBER 2021*

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The Charity aims to keep a sum in reserve which would allow for final staff payments and payments to other creditors should the operating company cease to trade. This is currently estimated at £25,000.

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity is a company limited by guarantee

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

R G Melton

C Davies

S Hobbs

W A J Smith

Selection of new trustees is by recommendation by existing trustees. Sufficient training will be provided to new trustees to enable them to carry out their duties with the required degree of skill and care.

The Charity is the sole shareholder in the operating company, Fairbourne Steam Railway Limited. The operating company makes a charge to the Charity for operating the Railway on its behalf and in order that the Charity's objects are fulfilled. Any profits after tax made by the operating company shall be transferred to the Charity.

The charity is a private company limited by guarantee and consequently there is no issued share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the company in the event of the company being placed in liquidation.

The Trustees report was approved by the Board of Trustees.

S Hobbs

Trustee

Dated: 1 July 2022

THE NORTH WALES COAST LIGHT RAILWAY LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE NORTH WALES COAST LIGHT RAILWAY LIMITED

I report on the financial statements of the charity for the year ended 31 December 2021, which are set out on pages 4 to 13.

Respective responsibilities of Trustees and examiner

The charity's Trustees, who are also the directors of The North Wales Coast Light Railway Limited for the purposes of company law, are responsible for the preparation of the financial statements. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare financial statements which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities; have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

C.A. Rossiter F.C.A
Moore

Chartered Accountants
Rutland House
Minerva Business Park
Lynch Wood
Peterborough
PE2 6PZ

Dated: 1 July 2022

THE NORTH WALES COAST LIGHT RAILWAY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<u>Income from:</u>					
Voluntary income	3	98,955	13,709	112,664	88,571
Charitable activities	4	96,535	-	96,535	26,139
Investments	5	18,611	-	18,611	18,693
Total income		214,101	13,709	227,810	133,403
<u>Expenditure on:</u>					
Charitable activities	6	98,372	-	98,372	66,072
Net incoming resources before transfers		115,729	13,709	129,438	67,331
Gross transfers between funds		19,702	(19,702)	-	-
Net income/(expenditure) for the year/ Net movement in funds		135,431	(5,993)	129,438	67,331
Fund balances at 1 January 2021		894,672	14,724	909,396	842,065
Fund balances at 31 December 2021		1,030,103	8,731	1,038,834	909,396

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE NORTH WALES COAST LIGHT RAILWAY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	10	521,098		504,177	
Investments	11	200,001		200,001	
		<u>721,099</u>		<u>704,178</u>	
Current assets					
Debtors falling due after one year	12	85,173		87,700	
Debtors falling due within one year	12	2,232		98	
Cash at bank and in hand		244,094		119,425	
		<u>331,499</u>		<u>207,223</u>	
Creditors: amounts falling due within one year	13	<u>(13,764)</u>		<u>(2,005)</u>	
Net current assets			317,735		205,218
Total assets less current liabilities			<u>1,038,834</u>		<u>909,396</u>
Income funds					
Restricted funds	14	8,731		14,724	
Unrestricted funds		1,030,103		894,672	
		<u>1,038,834</u>		<u>909,396</u>	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2021.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 1 July 2022

S Hobbs
Trustee

Company Registration No. 06167523

THE NORTH WALES COAST LIGHT RAILWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

The North Wales Coast Light Railway Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Beach Road, Fairbourne, Gwynedd, LL38 2EX, Wales.

1.1 Accounting convention

The accounts have been prepared in accordance with the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

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

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out below:

15 inch - Purchase and laying of 15 inch track to enable dual gauge running.

Beddgelert - Renovation project at Beddgelert.

Yeo wheelsets - Purchase of locomotive wheelset.

1.4 Incoming resources

Income is recognised on a receivable basis and is shown gross of any related expenditure

1.5 Resources expended

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 are allocated on the portion of the asset's use.

THE NORTH WALES COAST LIGHT RAILWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Resources expended are accounted for on an accruals basis. Expenditure is apportioned between activities on the basis of its purpose, and shown in the appropriate category, unless it is immaterial in the context of these accounts.

1.6 Tangible fixed assets

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold interest in property	2% straight line
Freehold interest in land	0%

The company is required by its governing document to maintain its rolling stock and track in a first-class state of repair in order to meet its charitable objectives, and to comply with its obligations under health and safety legislation. For these reasons, the Trustees do not consider it necessary to provide for depreciation on these assets.

The boilers of steam locomotives and motors of internal combustion locomotives are depreciated as follows:

Boilers: 10% reducing balance

Motors: 40% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

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

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

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

THE NORTH WALES COAST LIGHT RAILWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.10 Financial instruments

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

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

Derecognition of financial liabilities

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

1.11 Group Accounts

Consolidated accounts have not been prepared by virtue of the group, as headed by the company, qualifying as a small group in accordance with section 388 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

2 Critical accounting estimates and judgements

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

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

THE NORTH WALES COAST LIGHT RAILWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

3 Voluntary income

	Unrestricted funds	Restricted funds	Total	Total
	2021 £	2021 £	2021 £	2020 £
Donations and gifts	81,665	13,483	95,148	77,745
Gift aid tax reclaimed	17,290	226	17,516	10,826
	<u>98,955</u>	<u>13,709</u>	<u>112,664</u>	<u>88,571</u>

4 Charitable activities

	Train ticket sales 2021 £
Sales within charitable activities	<u>96,535</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Rental income	16,000	16,000
Interest receivable	2,611	2,693
	<u>18,611</u>	<u>18,693</u>

THE NORTH WALES COAST LIGHT RAILWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Charitable activities

	2021 £	2020 £
Depreciation and impairment	5,277	5,525
FSR services for maintaining and operating	87,300	54,600
Financial administration fees	1,200	3,800
Professional fees	78	43
Premises and delivery costs	590	50
Bank charges and fees	2,627	929
	<u>97,072</u>	<u>64,947</u>
Share of governance costs (see note 7)	1,300	1,125
	<u>98,372</u>	<u>66,072</u>
For the year ended 31 December 2020		
Unrestricted funds		66,072
		<u>66,072</u>

7 Support costs

	Support costs £	Governance costs £	2021 £	2020 £
Independent examiners fee	-	1,300	1,300	1,125
	<u>-</u>	<u>1,300</u>	<u>1,300</u>	<u>1,125</u>

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Employees

	2021 Number	2020 Number
Trustees (all unpaid)	4	4

There were no other employees in the period (2020 : Nil)

THE NORTH WALES COAST LIGHT RAILWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Tangible fixed assets

	Freehold interest in property £	Freehold interest in land £	Plant and machinery £	Total £
Cost				
At 1 January 2021	156,400	93,000	296,081	545,481
Additions	-	-	22,198	22,198
At 31 December 2021	156,400	93,000	318,279	567,679
Depreciation and impairment				
At 1 January 2021	30,400	-	10,904	41,304
Depreciation charged in the year	3,040	-	2,237	5,277
At 31 December 2021	33,440	-	13,141	46,581
Carrying amount				
At 31 December 2021	122,960	93,000	305,138	521,098
At 31 December 2020	126,000	93,000	285,177	504,177

11 Fixed asset investments

	Other investments
Cost or valuation	
At 1 January 2021 & 31 December 2021	200,001
Carrying amount	
At 31 December 2021	200,001
At 31 December 2020	200,001

12 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	-	1
Other debtors	2,232	97
	2,232	98

THE NORTH WALES COAST LIGHT RAILWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

12 Debtors (Continued)

	2021 £	2020 £
Amounts falling due after more than one year:		
Amount owed by Fairbourne Steam Railway Limited	85,173	87,700
Total debtors	87,405	87,798

13 Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	11,274	-
Accruals and deferred income	2,490	2,005
	13,764	2,005

14 Restricted funds

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

	Movement in funds			Movement in funds		
	Balance at 1 January 2020	Incoming resources	Balance at 1 January 2021	Incoming resources	Transfers	Balance at 31 December 2021
	£	£	£	£	£	£
15 Inch Track (2017)	8,152	240	8,392	240	(8,632)	-
Beddgelert	5,976	356	6,332	2,399	-	8,731
Yeo Wheelset	-	-	-	11,070	(11,070)	-
	14,128	596	14,724	13,709	(19,702)	8,731

15 Analysis of net assets between funds

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
Fund balances at 31 December 2021 are represented by:				
Tangible assets	521,098	-	521,098	504,177
Investments	200,001	-	200,001	200,001
Current assets/(liabilities)	309,004	8,731	317,735	205,218
	1,030,103	8,731	1,038,834	909,396

THE NORTH WALES COAST LIGHT RAILWAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

16 Related party transactions

During the year the subsidiary company, Fairbourne Steam Railway Limited, received a grant from the charity of £87,300(2020:£54,600) to enable it to operate the railway in line with the charity objectives. At the 31st December 2021 the amount owing by the subsidiary company to the charity was £85,173 (2020: £87,700) The interest charged on the loan during the past financial year was £2,597 (2020: £2,671).

17 Subsidiaries

Details of the charity's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Fairbourne Steam Railway Limited	United Kingdom	Operating a narrow gauge railway as a tourist and educational attraction	Ordinary	100.00	-

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Fairbourne Steam Railway Limited	(2,011)	134,896

Document Activity Report

Document Sent

Thu, 07 Jul 2022 09:53:16 GMT

Document Activity History

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