KEIGHLEY & WORTH VALLEY RAILWAY PRESERVATION SOCIETY LIMITED

England & Wales · Charity number 1136853

Details

Other names	KWVR
Status	Registered
Legal form	Charitable company
Company number	07135945
Registered	2010-07-13
Register	View on the Charity Commission register

Contact

Address	The Railway Station Haworth Near Keighley West Yorkshire BD22 8NJ
Phone	01535645214
Email	admin@kwvr.co.uk
Website	www.kwvr.co.uk

Activities

Objects: 3. THE CHARITY'S OBJECT (THE "OBJECTS") ARE SPECIFICALLY RESTRICTED TO THE FOLLOWING:3.1.1 THE PRESERVATION, OPERATION, RESTORATION, MAINTENANCE AND PROTECTION OF SUCH OF THE STRUCTURES, BUILDINGS, PLANT, LOCOMOTIVES, ROLLING STOCK, RAILWAY TRACK AND EQUIPMENT ON OR ADJACENT TO OR CONNECTED WITH THE RAILWAY LINE BETWEEN KEIGHLEY & OXENHOPE, WEST YORKSHIRE (THE "KEIGHLEY & WORTH VALLEY RAILWAY") AS ARE OF HISTORIC, CULTURAL, ARCHITECTURAL, CONSTRUCTIONAL OR SCIENTIFIC INTEREST OR EXHIBIT CRAFTMANSHIP WORTHY OF PRESERVATION.3.1.2 THE PRESERVATION OF ARCHIVES, HISTORICAL RECORDS AND ARTIFACTS RELATING TO THE KEIGHLEY & WORTH VALLEY RAILWAY.3.1.3 THE EDUCATION OF THE PUBLIC BY THE OPERATION OF HERITAGE LOCOMOTIVES AND ROLLING STOCK ON THE KEIGHLEY & WORTH VALLEY RAILWAY.3.1.4 OTHER CHARITABLE PURPOSES FOR THE ADVANCEMENT OF EDUCATION ASSOCIATED WITH THE KEIGHLEY & WORTH VALLEY RAILWAY.

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Activities: The core activities of the railway is operating public train services on all weekends during the year and on weekdays during school holidays and a shoulder summer season. In addition the railway offers supporting activities to both generate additional funds and offer the public opportunities to experience different aspects of the railway.

Classification

- **How:** Makes Grants To Organisations, Provides Other Finance, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** Education/training, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** WEST YORKSHIRE
- Bradford City

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-30	£4,238,546	£3,685,726	£6,007,101	21
2023-12-30	£3,448,459	£3,149,627	£5,429,236	23
2022-12-31	£2,494,098	£2,358,717	£5,130,404	16
2021-12-31	£2,237,446	£1,867,431	£5,003,161	13
2020-12-31	£1,557,659	£1,607,802	£4,633,146	34

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Trustees

Name	Role	Appointed
Dr Matthew John Stroh	Chair	
Andrew Brown		2020-11-21
David Pearson		2026-01-28
John Hinchcliffe		2021-03-10
Kieran Pilsworth		2026-03-25
MICHAEL TARRAN		2013-01-25
Nicholas Bennett		2017-11-30
Oliver Harrison		2022-07-22
Ruth Wilson		2024-07-20
Steve Daly		2025-08-01
Thomas Ruddock		2018-10-06

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KEIGHLEY & WORTH VALLEY RAILWAY PRESERVATION SOCIETY LIMITED

England & Wales - Charity number 1136853

Accounts

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

Company Limited by Guarantee

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2024

Company registration number: 07135945
Charity registration number: 1136853

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

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KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)

YEAR ENDED 31 DECEMBER 2024

The trustees, who are also the directors for the purposes of company law, present their report and the Consolidated financial statements of the charity for the year ended 31 December 2024.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	Keighley and Worth Valley Railway Preservation Society Ltd	
Charity registration number	1136853	
Company registration number	07135945	
Principal office and registered Office	The Railway Station Station Road Haworth BD22 8NJ	
The trustees	Dr M J Stroh (Chairman)	
	W N Bennett	
	A Brown	
	J Duijsters	(Resigned 27 January 2024)
	R M R Graham	(Resigned 1 August 2025)
	O Harrison	
	R Hart	(Resigned 20 July 2024)
	J Hinchcliffe	
	J Hoyle	(Resigned 4 December 2024)
	R Hustwick	
	T Ruddock	
	C Sheehan	(Appointed 20 July 2024)
	M Tarran	
	R Wilson	(Appointed 20 July 2024)
Company secretary	R Batty	
Auditor	Streets Audit LLP Chartered Accountants & Statutory Auditor Tower House Lucy Tower Street Lincoln LN1 1XW	
Bankers	Barclays Bank Plc Leicester LE87 2BB	

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document
The Keighley & Worth Valley Railway Preservation Society Limited is a company limited by guarantee governed by its Memorandum and Articles of Association dated 19 January 2010. It is registered as a charity with the Charity Commission (number 1136852).

Trustees
Trustees, who are also the Directors of the Charity, are elected for three years by Members at the Annual General Meeting. They are appointed on the basis of their personal skills/experience and their commitment to the charity.

Trustees must be a member of the Charity, over 18 years old and not disqualified from acting as a Trustee under the Charities Act 2011.

Members who wish to be proposed as a Trustee must give notice to the Charity at least 45 days before the Annual General Meeting. Members receive at least 14 days' notice of the Annual General Meeting and are entitled to vote in person or by proxy.

At any one time there should be a minimum of two Trustees, but no maximum. At the date of this report, there are 11 Trustees.

No person or body, other than Members at the Annual General Meeting, or Trustees at a meeting, have the power to remove Trustees from office.

Trustee training
Following their election, Trustees are given briefing notes for the conduct of Directors produced by the Heritage Railway Association and the Charity Commission's guidance for Trustees. The Chairman, Company Secretary and Finance Director provide further guidance as is necessary. All Trustees are familiar with the Railway as members and most have volunteered for many years.

Organisation
The Trustees manage the business of the Charity and each has responsibility for a specific part of the Charity's operations. There are also at least two Trustees representing members' interests.

The Charity has two related parties as follows:

- The Keighley and Worth Valley Light Railway Limited is a wholly owned subsidiary of the Charity, whose function is to operate the Railway and undertake commercial activities. It is a private limited company, incorporated in England and Wales, and wholly controlled by the Charity. Directors of the subsidiary are appointed by the Trustees of the Charity. The subsidiary also directly employs technical, professional and administrative support staff who, along with the directors, undertake the day-to-day running of the subsidiary. The Keighley and Worth Valley Light Railway Limited is included in these consolidated accounts.
- The Friends of the Keighley and Worth Valley Railway (formerly known as The Keighley and Worth Valley Railway Trust) is also a charity established to support the work of the Railway. Whilst the Trustees act independently, they are appointed by the Charity (KWVRPS) and the Friends of KWVR can only support projects that are ratified by the Board of the Charity (KWVRPS).

Risk management

The Trustees consider that the following are the most significant risks to the continued operation of the Railway:

- Safe operating: unsafe operations could result in an incident that prevents the Railway from running or do our visitors/volunteers/staff harm. To mitigate this risk, the Railway has a full Safety Management System in place and a clearly defined procedure for its review, amendment and approval. Safety and risk topics are a Standing Board meeting agenda item.
- A catastrophic infrastructure event: such an event could compromise the ability to operate the Railway. To mitigate this risk, the Railway has in place an on-going programme of preventive maintenance procedures. It also maintains appropriate insurance to further protect it from such events.
- Loss of volunteer resource: volunteers form the core of the Railway's workforce and without their on-going support, the Railway would cease to be financially viable and unable to meet is charitable objects. Both the Charity and the operating subsidiary actively manage the Railway's wide base of volunteer skill and time to mitigate this risk.
- Continue to attract income/funding: principally by attracting the public to visit the Railway. The sustainability of the Railway is based on sustaining the interest of the public. Continuing interest is ultimately central to the Charity's continued income and relevance.

OBJECTIVES AND ACTIVITIES

Objects and aims

The Charity has four objects in its Articles of Association. In summary they are:

1. the preservation, operation, restoration, maintenance and protection of the Keighley and Worth Valley Railway (the railway),
2. the preservation of archives, records and artifacts relating to the railway,
3. the education of the public through the operation of the railway,
4. other charitable purposes for the advancement of education associated with the railway.

The aim of the railway is to achieve its objects in a manner that is financially sustainable, whilst contributing significantly to the local community (the Keighley/Bradford/West Yorkshire area) and its economy.

Public benefit

The Charity has continued to meet its charitable objects in the operation and preservation of the Railway and continues to seek to contribute to the local community through its programme of events. The operation of the Railway provides a wider benefit by seeking to sustain traditional engineering skills; by providing a welcoming environment for volunteers to develop new skills and competencies; and by sharing knowledge between similar organisations.

The Trustees confirm that they have each complied with their duties under section 17 (5) of the Charities Act 2011 to have due regard to the guidance on public benefit published by the Charity Commission when carrying out their roles and responsibilities.

Environmental policy

The Railway has developed an Environmental policy and covers this topic regularly at board meetings with a project co-ordinator leading this activity. We monitor closely the amount of energy used by the railway including gas, electricity, coal and diesel. The Railway's policy includes objectives to minimise unnecessary smoke, reuse materials where possible and minimise noise where feasible. We have an active recycling policy with recycling bins in place at all stations and on many of our carriages.

Objectives for the year

The Charity had four primary objectives:

1. To manage our cash/financial position to enable investment in essential capital and investment expenditure requirements to be met. This is met through:
    a. developing growing passenger income (from fares, events and supplementary spend);
    b. retaining sufficient unrestricted and designated cash reserves whilst undertaking capital projects to maintain and enhance the Railway's assets and facilities;
    c. developing longer-term funding and project plans to enable the Charity to continue to meet the Railway's charitable objects.

2. Through the Charity's trading subsidiary, develop an appropriate commercial plan, with a particular focus on enhancing the Railway's events, catering, drinks and retail offering.

3. To develop long-term plans for the sustainability of the volunteer operation of the Railway.

4. Improve the infrastructure of the Railway (with the objective of replacing Bridge 27 and improving our section of Keighley station).

Strategies for the year

- Continue to manage costs carefully through a period of challenging economic conditions and to develop income levels whilst not endangering the long-term future of the Railway.
- Implement activities and events aimed at increasing the number of passengers above the prior year levels and to implement plans to increase revenue per passenger (from drinks, catering and retail).
- Establishment of a longer-term programme of strategic initiatives designed to enhance, support and facilitate the Railway's commercial activities and invest in capital projects and infrastructure (principally on the planned civil maintenance bridge replacement and groundworks projects and the maintenance of the locomotive and rolling stock fleet). This included:
    1. Rebuilding Bridge 27 at Haworth. This project was to be the biggest civil engineering project carried out by the Keighley and Worth Valley Railway since the reopening in 1968.
    2. Work with Network Rail and funding partners regarding the development of Keighley station.

Challenges during the year
The Railway has continued to meet the challenge of its maintenance backlog, which was started to be addressed in the previous 2 years.

Our biggest project challenge was the rebuilding of Bridge 27, where planning started in the previous years. The bridge was replaced in September 2024 - on time and on budget. A reflection of incredibly detailed project planning by our volunteer team.

The Charity is a tenant at Keighley Station. Network Rail have carried out a major overhaul of Keighley station. This meant for the first 2 months of the year we could not run trains into this station, which is a major access point for visitors. This meant we lost revenue and visitor numbers. Significant effort has been put into improving the KWVR part of the station (including platforms 3 and 4 plus the Water Tower and Signal Box).

The Railway's café/bar "The Old Parcels Office" at Keighley was closed in the early part of the year for much of the year as result of the redevelopment works at Keighley station. The Railway's venture at "The Old Parcels Office" struggled to rebuild trade following the Covid-19 lockdown period, and any trading momentum was hit again further as a result of the works at Keighley station.

Sourcing coal remains a difficult and expensive challenge with costs per tonne at far higher the levels than prior to the Ukraine war. The Railway continues to consider the balance of operations between heritage diesel and coal fired steam locomotives.

Significant activities during the year and volunteer involvement
It was pleasing to report that the most significant activities of the year relate to the operations of the Railway (running days or events) or the preservation/restoration work of the charity. A full running service was offered on nearly every weekend of the year. Trains ran seven days a week in high summer and during school holidays. Enthusiast Galas were staged (one featuring steam locos (March)and one with diesel stock (June)) and the ever-popular Beer and Music Festival took place in October followed by the "Elf Explorer" Christmas family event. The Christmas events were attended in record numbers.

Following the development of plans in 2022 and 2023 our Civil engineering team prepared the ground works (spring/ summer) and then replaced bridge 27 at Haworth (September). This was as well as attending to and managing the ongoing maintenance of the line including developments at Keighley station.

The Mechanical engineering team continue to manage the on-going schedule of locomotive and rolling stock overhauls and repairs. Work continues regarding the overhaul of the Pannier Tank (5775), the War Department locomotive (90733) and Class 25 Diesel locomotive (25059). The recently overhauled Standard 4 locomotive 75078 enjoyed a full year back service on the line as did our Class 101 DMU.

At the time of writing we have around 700 volunteers registered with the Railway. The Trustees would like to thank all those volunteers who continue to contribute so significantly to the ongoing success and achievements of the Railway. The running operation demands a great deal from our volunteers. Running a programme of events through the year makes a very significant contribution to the Railway's finances and our day to day running and events programme could not be held without the

efforts of our dedicated volunteers. The Trustees acknowledge that we are indebted to the many volunteers who continue to work tirelessly on the maintenance of the Railway and its property and assets. To give an example of this commitment we estimate that the Bridge 27 project alone took 8,000 to 10,000 volunteer hours.

No attempt has been made to quantify the financial value of the work of the volunteers in these accounts, but the Trustees acknowledge that the Railway would not be financially viable without their continued contribution. The Trustees monitor the number of new volunteers joining the Railway team.

Safeguarding our customers, volunteers and staff
We treat the personal safety of our customers, volunteers and staff very seriously - especially those who may be young or vulnerable. As a result, the Railway employs a co-ordinator to look after the interests of young people and carry out DBS (Disclosure and Barring Service) checks as required.

The employees of the Railway are employed by the Operating Company, the Keighley and Worth Valley Light Railway Ltd. We are very grateful for the commitment of our hardworking staff.

STRATEGIC REPORT

The following sections for achievements and performance and financial review form the strategic report of the charity.

ACHIEVEMENTS AND PERFORMANCE

Achievement of objectives

Financial
The Trustees are pleased that the Railway has achieved its objectives relating to sound financial management and investment into infrastructure and we continue to operate with a strong operational fleet.

But the unrestricted cash reserves of the Railway decreased in the year as a result of our heavy investment programme in civil, property and mechanical engineering projects.

Visitors Numbers (attracting the public to visit the Railway)
Passenger numbers and income increased in the year. Visitor numbers again exceeded 100,000, despite the closure of Keighley station at the start of the year.

It has been particularly pleasing that our major events programme (specifically the Christmas Programme, enthusiast Galas and the Beer and Music Festival) have attracted strong visitor levels to the Railway. To be able to attract high levels of visitors reflects the success of the trading subsidiary's commercial plan.

Maintenance and Repairs (to sustain the Railways operating future)

Civil Engineering
Our biggest Civil Engineering project was the rebuilding of Bridge 27 at Haworth. Whilst the new bridge was put into place in September 2024, planning started in 2022 and 2023. This project has cost well over £1m, plus as stated earlier an incredible amount of volunteer's time. Over 90% of the cost fell into 2024. We have been extremely pleased to have enjoyed 80% grant support from the Communities Ownership Fund. This engineering programme has been a most colossal engineering (and financial) achievement and the biggest project since we reopened in 1968.

Further work has been carried out by the Civil Engineering team to maintain the line, but other activities have been dwarfed by the huge programme relating to Bridge 27.

Mechanical Engineering
Our locomotive and coach overhaul programmes have moved forward to schedule with 2 major steam locomotives (90733 and 5775) under ongoing overhaul, a diesel loco under overhaul (25059) and others undergoing on going repair. We expect these locomotives to be back in traffic in 2025/26. This work has been supported by the Friends of KWVR and private donations

Our Diesel Multiple Unit (DMU) fleet was strengthened in 2023 by the return to service of a Class 101 set, following the refurbishment of a Pacer (Class 144) set the year before. This fleet has become a very cost effective and regular running part of our operations in 2024.

Restoration and repair of our coaching stock remains a priority, with ongoing coach rebuild work part of our plans for coaches re-entering service in 2026.

Property Maintenance and Development
During 2024 the Keighley Mainline station was in the midst of a very significant redevelopment and the Keighley and Worth Valley Railway has taken this opportunity to refurbish its operating area of the station including the Water Tower and Signal box. The Water Tower building has become a popular visitor attraction in its own right, presenting the history of the Railway and explaining the vital process of filling steam locomotives with water.

The ramp leading to platform 3 and 4 has been rebuilt at very considerable cost, following the fitting of new windows adjacent to the ramp.

The glass canopy will be refurbished in 2025, with preparations made in 2024.

Our work at Keighley has been partially supported by grants from the Towns Fund and the Railway Heritage Trust.

An example of further work at other sites includes redevelopment of the Oakworth station car park. Plans are in progress to refurbish the Water Column at Oxenhope in 2025.

Fundraising
The projects above give examples of our successful fundraising. We are extremely grateful for the grant we received from the Communities Ownership Fund to make the renewal of Bridge 27 possible, for the support at Keighley station from the Railway Heritage Trust and the Towns Fund and for the continued support from the Friends of KWVR.

Additionally, we received donations (large and small) from private donors. We believe the generosity of the public demonstrates that we are providing a much loved and highly valued experience.

Our income from fundraising exceeded the previous year. The Charity recognises that the speed and extent of our developments is only made possible by the support and incredible generosity of our supporters.

Additionally, we are grateful for support from the linked charity the Friends of the Keighley and Worth Valley Railway.

FINANCIAL REVIEW

The financial statements for 2024 demonstrate real progress on 2023, with significantly higher levels of income £4,238,546 (2023: £3,418,504) as a result of increased grant income. However, our trading income fell on 2023 as a result of the one off nature of the "Flying Scotsman Festival" in 2023.

The Railway enjoyed pleasing operating income across the year, with healthy levels of visitors to the events programme. Our popular "Beer and Music" event in October was again well attended and our "Elf Explorer" Christmas offer was again a "sell out". Our new "Christmas Carol" theatre production at Oxenhope extended our Christmas offer. The themed Steam and Diesel galas were again well attended.

Despite the commercial investments and the costs of tackling the maintenance backlog the funds of the Charity, net of restricted funds, has remained materiality consistent with the prior year £6,007,101 (2023: £5,429,236) and this is testimony to the focus on successful running operators and careful cost management during the year. Total income grew to £4.2 in 2024 from £3.4m in 2023, but costs (net of taxation) increased by £536,093 (2023: £993,043) and cash decreased to £1,288,434 from £1,857,664 (with £825,123 invested as part of the Charities investment strategy - referred to later).

All projects have been funded from both existing cash reserves, on-going fund-raising initiatives and operating activities.

The largest grant received in the year was from the Community Ownership Fund of £1,000,000 for Bridge 27

At the end of 2024 the Charity had restricted funds (£995,039) relating to previous fundraising for two locomotives (Ivatt 41241 and 4F 43924), the Oxenhope Water Tower and Bridge 27.

Relationship with Suppliers
The Railway recognises that its suppliers (along with customers, volunteers, members and staff) are a key "stakeholder" in the Railway. As such the Railway's policy is to pay invoices for satisfactory work to the terms agreed between the Railway and the contractor. The Railway uses local suppliers where feasible.

Policy on reserves
The Charity's policy is to hold a minimum of £150,000 unrestricted and undelineated cash at bank as a reserve against the realisation of any of the risks set out in the Risk Management section and aims to hold a working capital reserve (net of current assets) of at least £50,000 at 31 December each year, although the working capital requirement is higher than this during our intensive summer running period of operation. Cash at bank stood at £509,391 (2023: £1,075,744) plus investments of £825,123 (2023: £781,920) at the end of the year and there were no breaches of the reserve policy at any time during the year. Cash reserves and investments were kept above £1m across the year. Net current assets at the year-end remain well within historic norms for the Railway, totalling £295,351 (2023: £980,864).

Principal Funding sources
In 2024, the principal funding sources of the railway are income from our ongoing operations and to a lesser extent a combination of membership subscriptions, grants and donations.

PLANS FOR FUTURE PERIODS

Plans for future periods
The Trustees are committed to a number of initiatives over the medium term. These include:

- Protection and development of income from Railway operations through enhancement of visitor experience.
- Increase of the contribution to surplus from events, drinks, catering and retail operations through expanding the events and catering offering, (both on train and at stations) as well as creating new channels for retail operations (online web-shop and ticketing).
- The Trustees also recognise their duty to continue the programme of maintenance and capital expenditure to ensure the longevity of Railway assets under their care and expect to maintain highlevels of expenditure into the future.

Financially, the Trustees expect to manage costs prudently to realise a modest long-term operating surplus (after maintenance costs). Any surplus is expected to be re-invested in capital expenditure programmes in future years. The Trustees also acknowledge that it will be necessary to be proactive in seeking funding from grant-making bodies so that development initiatives can be fully realised.

Investment Strategy
As at the time of writing this report in July 2025, the Charity holds a cash and investment balance of over £933k (2023 - £1.235k) (covering restricted and unrestricted reserves for future projects), with its subsidiary the Keighley and Worth Valley Light Railway Ltd holding a further balance that covers at least six weeks trading.

Following a period of sustained inflation (specifically relating energy and building materials) the Charity proactively manages its cash balance with an investment strategy. The Railway invests cash with an investments bank that has a successful track record working with charities. The aim is to make a return on our money, rather than allowing the real value of our balance to decline in an interest free bank account.

The Charity is wary of losses, and has no appetite for high levels of risk, but the impact and real cost of inflation is a certainty. The Railway invests in a portfolio which is cautious/ offers a low to

moderate risk. This means that the Charity invests the majority of its funds split primarily between cash/fixed interest accounts, and equities (from a variety of sectors and geographics) but also to a lesser extent in alternative investment vehicles such as real estate income funds, infrastructure funds and investment funds.

The Investment Bank selects the Funds on the Charity's behalf. The majority of the investments are in UK Funds/ accounts. As stated above, the brief from the Railway is for a cautious return, rather than driven directly by social, environmental or ethical considerations.

It is a requirement of the Charity that the investment funds can be drawn down very quickly, rather than being locked away for years. This allows these balances to be drawn upon for major capital spend projects. The balance as of 31st December 2024 was £825,123 (2023 - £781,920).

The Finance Director follows the performance of these investments closely and he keeps the Trustees up to date with the results.

Funds held as custodian Trustee
Neither the Charity nor its Trustees are acting as custodian trustees for funds held on behalf of others.

FUNDS HELD AS CUSTODIAN TRUSTEE

Neither the Charity nor its Trustees are acting as custodian trustees for funds held on behalf of others.

TRUSTEES' RESPONSIBILITIES STATEMENT

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

Company law requires the charity trustees to prepare Consolidated financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these Consolidated financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial

position of the charity and enable them to ensure that the Consolidated financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees' annual report and the strategic report were approved on 24 September 2025 and signed on behalf of the board of trustees by:

J HINCHCLIFFE
Trustee

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

YEAR ENDED 31 DECEMBER 2024

OPINION

We have audited the Consolidated financial statements of Keighley and Worth Valley Railway Preservation Society Ltd (the 'charity') for the year ended 31 December 2024 which comprise the consolidated statement of financial activities (including income and expenditure account), consolidated statement of financial position, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the Consolidated financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 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;
- 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's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the Consolidated 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 Consolidated financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the Consolidated 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the Consolidated financial statements are 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 other information comprises the information included in the annual report, other than the Consolidated financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the Consolidated financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated 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 Consolidated 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.

OPINIONS ON OTHER MATTERS 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 trustees' report for the financial year for which the Consolidated financial statements are prepared is consistent with the Consolidated financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Consolidated 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 trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the Consolidated 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 Consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the Consolidated financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the charitable company's members, 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 charity's members 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sally Shacklock BA FCA (Senior Statutory Auditor)

For and on behalf of
Streets Audit LLP
Chartered Accountants & statutory auditor
Tower House
Lucy Tower Street
Lincoln
LN1 1XW

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

STATEMENT OF CONSOLIDATED FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 DECEMBER 2024

	Note	Year to 31 Dec 24 Unrestricted funds £	Restricted funds £	Total funds £	Period from 1 Jan 23 to 30 Dec 23 Total funds £
Income and endowments					
Donations and legacies	5	550,700	1,010,000	**1,560,700**	428,073
Charitable activities	6	1,891,366	–	**1,891,366**	2,068,665
Other trading activities	7	747,737	–	**747,737**	885,944
Investment income	8	38,743	–	**38,743**	35,822
Total income		3,228,546	1,010,000	**4,238,546**	3,418,504
Expenditure					
Expenditure on raising funds:					
Costs of other trading activities	9	647,254	–	**647,254**	606,970
Expenditure on charitable activities	10,11	2,794,543	20,653	**2,815,196**	2,744,790
Taxation	13	–	–	**223,276**	(202,133)
Total expenditure		3,665,073	20,653	**3,685,726**	3,149,627
Net gains on investments	14	(25,045)	–	**(25,045)**	(29,955)
Net income and net movement in funds		(411,482)	989,347	**577,865**	298,832
Reconciliation of funds					
Total funds brought forward		5,423,544	5,692	**5,429,236**	5,130,404
Total funds carried forward		5,012,062	995,039	**6,007,101**	5,429,236

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 21 to 44 form part of these Consolidated financial statements.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

(Company registration number: 07135945)

COMPANY LIMITED BY GUARANTEE

CONSOLIDATION STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2024

	Note	2024 £	2024 £	2023 £	2023 £
FIXED ASSETS					
Tangible fixed assets	21		5,477,258		4,062,340
Investments	22		825,123		781,920
			6,302,381		4,844,260
CURRENT ASSETS					
Stocks	24	63,901		64,397	
Debtors	25	248,423		221,298	
Cash at bank and in hand		509,391		1,075,744	
		821,715		1,361,439	
CREDITORS: amounts falling due within one year	26	526,364		380,575	
NET CURRENT ASSETS			295,351		980,864
TOTAL ASSETS LESS CURRENT LIABILITIES			6,597,732		5,825,124
CREDITORS: amounts falling due after more than one year	27		367,355		395,888
PROVISIONS	30		223,276		–
NET ASSETS			6,007,101		5,429,236
FUNDS OF THE CHARITY					
Restricted funds			995,039		5,692
Unrestricted funds			5,012,062		5,423,544
Total charity funds	32		6,007,101		5,429,236

These Consolidated financial statements were approved by the board of trustees and authorised for issue on 24 September 25, and are signed on behalf of the board by:

DR M J STROH
Chairman

The notes on pages 21 to 44 form part of these Consolidated financial statements.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

(Company registration number: 07135945)

COMPANY LIMITED BY GUARANTEE

COMPANY STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2024

	Note	2024 £	2024 £	2023 £	2023 £
FIXED ASSETS					
Tangible fixed assets	21		2,108,278		2,135,282
Investments	22		2,682,306		2,639,103
			4,790,584		4,774,385
CURRENT ASSETS					
Debtors	25	1,651,128		825,093	
Cash at bank and in hand		108,560		453,522	
		1,759,688		1,278,615	
CREDITORS: amounts falling due within one year	26	56,705		52,271	
NET CURRENT ASSETS			1,702,983		1,226,344
TOTAL ASSETS LESS CURRENT LIABILITIES			6,493,567		6,000,729
NET ASSETS			6,493,567		6,000,729
FUNDS OF THE CHARITY					
Restricted funds			15,692		5,692
Unrestricted funds			6,477,875		5,995,037
Total charity funds	32		6,493,567		6,000,729

These financial statements were approved by the board of trustees and authorised for issue on 24 September 2025, and are signed on behalf of the board by:

DR M J STROH
Chairman

The notes on pages 21 to 44 form part of these Consolidated financial statements.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2024

	2024	2023
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**577,865**	298,832
Adjustments for:		
Depreciation of tangible fixed assets	**306,826**	251,036
Net gains on investments	**(25,045)**	(29,955)
Dividends, interest and rents from investments	**(27,943)**	(22,299)
Other interest receivable and similar income	**(10,800)**	(13,523)
Taxation	**223,276**	(202,133)
Accrued expenses	**24,073**	106,406
Changes in:		
Stocks	**496**	41,031
Trade and other debtors	**(27,125)**	(75,907)
Trade and other creditors	**52,865**	148,783
Cash generated from operations	**1,094,488**	502,271
Interest received	**10,800**	13,523
Net cash from operating activities	**1,105,288**	515,794
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends, interest and rents from investments	**27,943**	22,299
Purchase of tangible assets	**(1,721,744)**	(185,553)
Purchases of other investments	**(248,744)**	(440,012)
Proceeds from sale of other investments	**224,824**	432,498
Net cash used in investing activities	**(1,717,721)**	(170,768)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	**46,080**	–
Net cash from financing activities	**46,080**	–
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(566,353)**	345,026
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**1,075,744**	730,718
CASH AND CASH EQUIVALENTS AT END OF YEAR	**509,391**	1,075,744

The notes on pages 21 to 44 form part of these Consolidated financial statements.

1. GENERAL INFORMATION

The charitable company is a public benefit entity and a private company limited by shares, registered in England and Wales. The address of the registered office is The Railway Station, Haworth, Keighley, West Yorkshire, BD22 8NJ.

2. STATEMENT OF COMPLIANCE

These Consolidated financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparation

The Consolidated financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through income or expenditure.

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

Going concern

In assessing the appropriateness of the application of the going concern basis, the trustees have considered the uncertainties around the general economic environment, the current and future trading performance of the charitable company and the available cash.

The trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Consolidation

The financial statements consolidate the financial statements of the charitable company and all of its subsidiary undertakings.

The parent charitable company has applied the exemption contained in section 408 of the Companies Act 2006 and has not included its individual statement of financial activities (including income and expenditure account).

3. ACCOUNTING POLICIES *(continued)*

Judgements and key sources of estimation uncertainty

In the application of the charitable company's accounting policies, the directors 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.

Critical judgements
The following judgements (apart from those involving estimates) have had the most significant effect on the amounts recognised in the financial statements.

Depreciation
The charitable company exercises judgement to determine useful lives and residual values of property, plant and equipment. The assets are depreciation to their estimated residual values over their estimated useful lives.

Income tax

The charitable company is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charitable company's purposes.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal.

3. ACCOUNTING POLICIES *(continued)*

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charitable company, it is probable that the economic benefits associated with the transaction will flow to the charitable company and the amount can be reliably measured. The following specific policies are applied to particular categories of income: - income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

- legacy income is recognised when receipt is probable and entitlement is established.

- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.

- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.

- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

3. ACCOUNTING POLICIES *(continued)*

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the charity's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed five years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	fully amortised

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible fixed assets

Individual fixed assets are capitalised at cost and depreciated on a straight line basis over their estimated useful economic lives taking account of any residual values, as follows :

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold land and buildings	2% per annum
Leasehold land and buildings	over the life of the lease
Locomotive restorations	10% per annum (see below)
Plant, machinery and equipment	10% per annum
Fixtures and fittings	10% per annum
Office equipment and furniture	20% per annum
Computer hardware and purchased software	33% per annum

3. ACCOUNTING POLICIES *(continued)*

Depreciation *(continued)*

The Railway maintains its operating locomotives and other rolling stock items in full working order, and all routine maintenance costs are charged to the Statement of Financial Activities when incurred. Additionally, some items are held as a non-operating strategic reserve at their residual asset values. Locomotives and other rolling stock items are therefore considered to have indeterminate lives and the Directors do not consider it appropriate to charge depreciation except as set out below.

When a major renovation or restoration of a locomotive takes place, the relevant costs incurred are capitalised as fixed assets, and depreciated on a straight line basis from the point at which the locomotive re-enters service over its expected useful economic life (usually the ten-year life of a steam locomotive boiler ticket) down to the residual non-running value of the locomotive. When a major renovation or restoration takes place on a locomotive that remains the property of an independent owners' group and a long-term hire agreement is in place between the Charity's operating subsidiary and that owners' group, the costs incurred by the operating subsidiary are also capitalised as fixed assets and depreciated on a straight line basis over the expected useful economic life of that locomotive to the Charity.

Investments

Unlisted equity investments are initially recorded at cost and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Stocks

Stocks are measured at the lower of cost and net realisable value.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

3. ACCOUNTING POLICIES *(continued)*

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in income or expenditure unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in the statement of financial activities in the period it arises, and is allocated to the appropriate expenditure heading.

Grants

Grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Grants are recognised using the accrual model.

Under the accrual model, grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

3. ACCOUNTING POLICIES *(continued)*

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss. Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. LIMITED BY GUARANTEE

The charitable company is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

5. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2024 £**
DONATIONS			
Bequests and donations	106,701	–	**106,701**
GIFTS			
Membership subscriptions	67,165	–	**67,165**
GRANTS			
Grants receivable	376,834	1,010,000	**1,386,834**
	550,700	1,010,000	**1,560,700**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
DONATIONS			
Bequests and donations	324,287	–	324,287
GIFTS			
Membership subscriptions	76,146	–	76,146
GRANTS			
Grants receivable	27,640	–	27,640
	428,073	–	428,073

6. CHARITABLE ACTIVITIES

	Unrestricted Funds £	**Total Funds 2024 £**	Unrestricted Funds £	Total Funds 2023 £
Fares	880,924	**880,924**	802,311	802,311
Special events income	1,010,442	**1,010,442**	1,254,694	1,254,694
Private Hire	–	–	11,660	11,660
	1,891,366	**1,891,366**	2,068,665	2,068,665

7. OTHER TRADING ACTIVITIES

	Unrestricted Funds	**Total Funds 2024**	Unrestricted Funds	Total Funds 2023
	£	**£**	£	£
Catering income	501,756	**501,756**	518,603	518,603
Shop income	151,168	**151,168**	191,277	191,277
Parking	8,173	**8,173**	10,155	10,155
Filming fees	31,550	**31,550**	156,362	156,362
Sundries	49,944	**49,944**	4,424	4,424
Scrap	5,146	**5,146**	5,123	5,123
	747,737	**747,737**	885,944	885,944

8. INVESTMENT INCOME

	Unrestricted Funds	**Total Funds 2024**	Unrestricted Funds	Total Funds 2023
	£	**£**	£	£
Income from listed investments	27,943	**27,943**	22,299	22,299
Bank interest receivable	8,754	**8,754**	10,995	10,995
Rent receivable	2,046	**2,046**	2,528	2,528
	38,743	**38,743**	35,822	35,822

9. COSTS OF OTHER TRADING ACTIVITIES

	Unrestricted Funds	**Total Funds 2024**	Unrestricted Funds	Total Funds 2023
	£	**£**	£	£
Shop costs	83,030	**83,030**	85,347	85,347
Costs of catering	564,224	**564,224**	521,623	521,623
	647,254	**647,254**	606,970	606,970

10. EXPENDITURE ON CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds	Restricted Funds	**Total Funds 2024**
	£	£	**£**
Train services	1,453,909	–	**1,453,909**
Support costs	1,340,634	20,653	**1,361,287**
	2,794,543	20,653	**2,815,196**

	Unrestricted Funds	Restricted Funds	Total Funds 2023
	£	£	£
Train services	1,638,275	–	1,638,275
Support costs	1,106,515	–	1,106,515
	2,744,790	–	2,744,790

11. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly	Support costs	**Total funds 2024**	Total fund 2023
	£	£	**£**	£
Train services	1,453,909	781,178	**2,258,739**	2,396,391
Shop	–	33,903	**33,903**	42,540
Catering	–	93,235	**93,235**	106,347
Fundraising activities	–	243,571	**219,919**	85,659
Other activities	–	127,594	**127,207**	69,278
Governance costs	–	81,806	**81,806**	44,575
	1,453,909	1,361,287	**2,815,196**	2,744,790

The support costs of £1,361,287 (2023 - £1,106,515) are apportioned in this note across the charitable and other trading activities in the group as set out above and in note 12.

12. ANALYSIS OF SUPPORT COSTS

	Train services	Shop	Catering	Fund raising activities	Other activities	**Total 2024**	Total 2023
	£	£	£	£	£	£	£
Staff costs	175,074	15,915	43,769	147,222	15,915	**397,895**	292,450
Premises	66,276	6,025	16,569	39,425	22,332	**150,627**	156,474
Communications and IT	25,196	2,290	6,298	3,525	19,950	**57,259**	70,050
General office	20,947	–	–	–	–	**20,947**	26,545
Governance costs	–	–	–	–	81,806	**81,806**	44,575
Insurance	38,361	3,487	9,590	–	35,745	**87,183**	70,048
Publicity	80,463	–	–	–	–	**80,463**	55,143
Bank charges	35,372	3,216	8,843	29,747	3,216	**80,394**	71,663
Sundry expenses	32,663	2,970	8,166	–	30,436	**74,235**	48,299
Depreciation	306,826	–	–	–	–	**306,826**	251,037
Push and Pull magazine	–	–	–	23,652	–	**23,652**	20,231
	781,178	33,903	93,235	243,571	209,400	**1,361,287**	1,106,515

13. TAXATION

	2024	2023
	£	£
Deferred tax:		
Originating and reversal of timing differences	**223,276**	(202,133)
Taxation	**223,276**	(202,133)

14. NET GAINS ON INVESTMENTS

	Unrestricted Funds	**Total Funds 2024**	Unrestricted Funds	Total Funds 2023
	£	£	£	£
Unrealised gain/(losses) on listed investments	26,400	**26,400**	32,604	32,604
Realised gains/(losses) on listed investments	(1,355)	**(1,355)**	(2,649)	(2,649)
	25,045	**25,045**	29,955	29,955

15. NET INCOME

Net income is stated after charging/(crediting):

	2024	2023
	£	£
Depreciation of tangible fixed assets	**306,826**	251,036

16. AUDITORS REMUNERATION

	2024	2023
	£	£
Fees payable for the audit of the financial statements of the subsidiary	**9,984**	7,813
Fees payable to the charity's auditor for other services:		
Audit of the Consolidated financial statements	**11,431**	10,239
Other non-audit services	**4,550**	500
	15,981	10,739

17. STAFF COSTS

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2024	2023
	£	£
Wages and salaries	630,059	468,752
Social security costs	46,726	32,000
Employer contributions to pension plans	9,684	6,471
	686,469	507,223

The average head count of employees during the year was 45 (2023: 43). The average number of full-time equivalent employees during the year is analysed as follows:

	2024	2023
	No.	No.
Administration	3	6
Loco department	9	5
Shop and catering	8	9
Summer seasonal staff	1	3
	21	23

No employee received employee benefits of more than £60,000 during the year (2023: Nil).

18. TRUSTEE REMUNERATION AND EXPENSES

A director received remuneration of £nil (2023 - £5,568), in respect of services provided to the Keighley and Worth Valley Light Railway Limited.

No trustees received remuneration or other benefits from employment with the charitable company or a related entity during the current or previous year.

No expenses were paid to the trustees during this or the previous year.

19. FINANCIAL PERFORMANCE OF THE CHARITY

	Unrestricted funds	Restricted funds	Total funds 2024
	£		£
Donations and grants received	44,817	1,010,000	1,054,817
Membership and other income	162,880	–	162,880
Amount gift aided from Keighley & Worth Valley Light Railway Ltd	316,798	–	316,798
	524,495	1,010,000	1,534,495
Costs of generating voluntary income	23,651	–	23,651
Governance costs	15,267	–	15,267
Support costs	27,784	–	27,784
Net gain on investments	(25,045)	–	(25,045)
Grants made to Keighley and worth Valley Light Railway Ltd	–	1,000,000	1,000,000
	41,657	1,000,000	1,041,657
Net movement in funds	482,838	10,000	492,838
Total funds brought forward	5,995,037	5,692	6,000,729
	6,477,875	15,692	6,493,567

Comparative

	Unrestricted funds	Restricted funds	Total funds 2023
	£	£	£
Donations and grants received	336,587	–	336,587
Membership and other income	104,235	–	104,235
	440,822	–	440,822
Costs of generating voluntary income	20,231	–	20,231
Governance costs	20,836	–	20,836
Support costs	27,089	–	27,089
Net gain on investments	(29,955)	–	(29,955)
	38,201	–	38,201
Net movement in funds	402,621	–	402,621
Total funds brough forward	5,592,416	5,692	5,598,108
Total funds carried forward	5,995,037	5,692	6,000,729

20. INTANGIBLE ASSETS

	Goodwill £
Cost	
At 31 December 2023 and 31 December 2024	**40,000**
Amortisation	
At 31 December 2023 and 31 December 2024	**40,000**
Carrying amount	
At 31 December 2024	**–**
At 30 December 2023	–

21. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold property £	Fixtures and fittings £	Locomotives & rolling stock £	Total £
Cost					
At 31 December 2023	2,115,614	42,509	632,588	3,030,561	**5,821,272**
Additions	1,270,137	–	50,313	401,294	**1,721,744**
At 31 December 2024	3,385,751	42,509	682,901	3,431,855	**7,543,016**
Depreciation					
At 31 December 2023	228,716	26,268	501,416	1,002,532	**1,758,932**
Charge for the year	141,668	852	43,724	120,582	**306,826**
At 31 December 2024	370,384	27,120	545,140	1,123,114	**2,065,758**
Carrying amount					
At 31 December 2024	3,015,367	15,389	137,761	2,308,741	**5,477,258**
At 30 December 2023	1,886,898	16,241	131,172	2,028,029	4,062,340

Charitable company

	Freehold property £	Long leasehold property £	Plant and machinery £	Locomotives and rolling stock £	Total £
Cost					
At 31 December 023	**847,642**	**1,412**	**47,413**	**1,393,191**	**2,289,658**
Depreciation					
31 December 2023	**70,288**	**144**	**20,247**	**63,697**	**154,376**
Charge for the year	**14,352**	**36**	**4,741**	**7,875**	**27,004**
	84,640	**180**	**24,988**	**71,572**	**181,380**
At 31 December 2024	**763,002**	**1,232**	**22,425**	**1,321,619**	**2,108,278**
At 31 December 2023	**777,354**	**1,268**	**27,166**	**1,329,497**	**2,135,282**

22. INVESTMENTS

	Shares in group undertakings £	Cash or cash equivalents £	Listed investments £	Total £
Cost or valuation				
At 1 January 2024	1,857,183	19,398	762,522	781,920
Additions	–	–	248,744	248,744
Disposals	–	–	(235,989)	(235,989)
Unrealised gains	–	–	26,400	26,401
Realised losses	–	–	(1,355)	(1,356)
Other movement	–	5,403	–	5,403
At 31 December 2024	1,857,183	24,801	800,322	825,123
At 31 December 2023	1,857,183	19,398	762,522	781,920

Charitable company	Cash or cash equivalents £	Listed investments £	Total £
Cost or valuation			
At 31 December 2023	19,398	762,522	781,920
Additions	–	248,744	248,744
Disposals	–	(235,989)	(235,989)
Fair value movements	–	26,400	26,400
Other movements	5,403	(1,355)	4,048
At 31 December 2024	24,801	800,322	825,123
Impairment			
At 31 December 2023 and 31 December 2024			–
Carrying amount			
At 31 December 2024	24,801	800,322	825,123
At 30 December 2023	19,398	812,612	832,010

All investments shown above are held at valuation.

22. INVESTMENT *(continued)*

Financial assets held at fair value

UK quoted securities are valued at the mid-market price quoted by the London Stock Exchange.

All investments are held in the UK and are held primarily to provide an investment return for the charity.

The following investments were worth more than 5% of the portfolio value at 31 December 2024.

	Units	%Total market value	Market value 2024
	£	£	£
UK (Govt of) 4.25% Gilt 07/12/27	**60,000**	8	**60,273**
UK (Govt of) 4.125% BDS 29/01/2027	**55,000**	7	**55,671**
Close Sustainable Select Fixed income	**45,000**	5	**43,448**

23. INVESTMENT ENTITIES

Subsidiaries and other investments

There are no investments outside the UK.

The charitable company's investments at the balance sheet date and included in these consolidated accounts comprise:

Keighley and Worth Valley Light Railway Ltd

Company number	008710851
Country of incorporation	England and Wales
Registered office	The Railway Station Station Road Haworth BD22 8NJ
Nature of business	Operation of the Keighley and Worth Valley Railway
Class of shares	Ordinary

There is a minority interest in the subsidiary, Keighley and Worth Valley Light Railway Ltd, consisting of 164 ordinary shares of £10 each. These shares do not entitle the holder to a dividend or voting rights. On winding up of the company they would be entitled to a maximum of the nominal value. The Charity holds 100% of all shares entitled to voting rights and dividends.

23. INVESTMENT ENTITIES *(continued)*

	2024	2023
	£	£
Summary of trading results		
Turnover	2,633,216	2,936,519
Total expenditure	(3,712,545)	(3,283,606)
Other operating income	1,398,991	50,279
Other income	8,754	10,995
Deferred tax	(223,276)	-
Loss for the year	105,140	(285,813)
Assets	3,832,533	2,578,518
Liabilities	(2,784,495)	(1,635,620)
Summary of assets and liabilities	1,048,038	942,898

24. STOCKS

	2024	2023
	£	£
Retail shop stock	63,901	64,397

Charitable company

	2024	2023
	£	£
Retail shop stock	-	-

25. DEBTORS

	2024	2023
	£	£
Trade debtors	52,458	44,348
Prepayments and accrued income	125,520	94,480
Other debtors	70,445	82,470
	248,423	221,298

Charitable company

	2024	2023
	£	£
Trade debtors	4,965	(1,306)
Amounts owed by subsidiary undertaking	1,645,642	812,751
VAT	521	13,648
	1,651,128	825,093

26. CREDITORS: amounts falling due within one year

	2024	2023
	£	£
Bank loans and overdrafts	46,080	–
Trade creditors	250,131	188,114
Amounts owed to undertakings in which the charity has a participating interest	5,762	5,762
Accruals and deferred income	176,932	158,634
Social security and other taxes	24,196	16,055
Sundry creditors	23,263	12,010
	526,364	380,575

Charitable company

	2024	2023
	£	£
Trade creditors	8,605	15,661
Accrual and deferred income	48,100	36,610
	56,705	52,271

27. CREDITORS: amounts falling due after more than one year

	2024	2023
	£	£
Accruals and deferred income	367,355	395,888

Charitable company

	2024	2023
	£	£
Accruals and deferred income	-	-

28. DEFERRED INCOME

	2024	2023
	£	£
At 31 Dec 23	353,631	239,834
Amount released to income	(49,121)	(239,834)
Amount deferred in year	14,813	353,631
At 31 Dec 24	319,323	353,631

At the balance sheet date the Keighley & Worth Valley Railway Preservation Society Limited held funds received in advance which all relate to monies in advance for the 2025 financial year as follows:

	2024	2023
	£	£
Subscriptions paid in advance	30,000	29,010
Grant income received in advance	289,323	324,621
	319,323	353,631

29. DEFERRED TAX

The deferred tax included in the statement of financial position is as follows:

	2024	2023
	£	£
Included in provisions (note 30)	223,276	–

The deferred tax account consists of the tax effect of timing differences in respect of:

	2024	2023
	£	£
Accelerated capital allowances	234,755	–
Unused tax losses	(11,479)	–
	223,276	–

30. PROVISIONS

	Deferred tax (note 29)
	£
At 31 December 2023	–
Additions	223,276
At 31 December 2024	223,276

31. PENSIONS AND OTHER POST RETIREMENT BENEFITS

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £9,684 (2023: £6,471).

32. ANALYSIS OF CHARITABLE FUNDS

Unrestricted funds

	31 Dec 2023	Income	Expenditure	Gains and losses	**31 Dec 2024**
	£	£	£	£	**£**
General funds	5,423,544	3,228,546	(3,665,073)	25,045	**5,012,062**

	1 Jan 2023	Income	Expenditure	Gains and losses	31 Dec 2023
	£	£	£	£	£
General funds	5,124,712	3,418,504	(3,149,627)	29,955	5,423,544

Charitable company

	31 Dec 2023	Income	Expenditure	Gains and losses	**31 Dec 2024**
	£	£	£	£	**£**
General funds	5,995,037	524,495	(66,702)	25,045	**6,477,875**

	1 Jan 2023	Income	Expenditure	Gains and losses	31 Dec 2023
	£	£	£	£	£
General funds	5,592,416	440,822	(68,156)	29,955	5,995,037

32. ANALYSIS OF CHARITABLE FUNDS *(continued)*

Restricted funds

	31 Dec 2023	Income	Expenditure	Gains and losses	**31 Dec 2024**
	£	£	£	£	£
41241 Ivatt	5,253	–	–	–	**5,253**
Engine 43924	439	–	–	–	**439**
Bridge 27	–	1,000,000	(20,653)	–	**979,347**
Oxenhope Water Tower	–	10,000	–	–	**10,000**
	5,692	1,010,000	(20,653)	–	**995,039**

	1 Jan 2023	Income	Expenditure	Gains and losses	31 Dec 2023
	£	£	£	£	£
41241 Ivatt	5,253	–	–	–	5,253
Engine 43924	439	–	–	–	439
Bridge 27	–	–	–	–	–
Oxenhope Water Tower	–	–	–	–	–
	5,692	–	–	–	5,692

Charitable company

	31 Dec 2023	Income	Expenditure	Gains and losses	**31 Dec 2024**
	£	£	£	£	£
41241 Ivatt	5,253	–	–	–	**5,253**
Engine 43924	439	–	–	–	**439**
Oxenhope Water Tower	–	10,000	–	–	**10,000**
	5,692	10,000	–	–	**15,692**

	1 Jan 2023	Income	Expenditure	Gains and losses	31 Dec 2023
	£	£	£	£	£
41241 Ivatt	5,253	–	–	–	5,253
Engine 43924	439	–	–	–	439
Oxenhope Water Tower	–	–	–	–	–
	5,692	–	–	–	5,692

Restricted funds relate to appeals for restoration work on specific locomotives as details above.

33. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2024 £**
Tangible fixed assets	4,497,911	979,347	**5,477,258**
Investments	825,123	–	**825,123**
Current assets	806,023	15,692	**821,715**
Creditors less than 1 year	(526,364)	–	**(526,364)**
Creditors greater than 1 year	(367,355)	–	**(367,355)**
Provisions	(223,276)	–	**(223,276)**
Net assets	5,012,062	995,039	**6,007,101**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Tangible fixed assets	4,062,340	–	4,062,340
Investments	781,920	–	781,920
Current assets	1,355,747	5,692	1,361,439
Creditors less than 1 year	(380,575)	–	(380,575)
Creditors greater than 1 year	(395,888)	–	(395,888)
Provisions	–	–	–
Net assets	5,423,544	5,692	5,429,236

34. ANALYSIS OF CHANGES IN NET DEBT

	31 Dec 2023 £	Cash flows £	**31 Dec 2024 £**
Cash at bank and in hand	1,075,744	(566,353)	**509,391**
Debt due within one year	(5,762)	(46,080)	**(51,842)**
	1,069,982	(612,433)	**457,549**

35. CAPITAL COMMITMENTS

Capital expenditure contracted for but not provided for in the Consolidated financial statements is as follows:

	2024 £	2023 £
Tangible fixed assets	**448,282**	29,105

36. OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2024	2023
	£	£
Not later than 1 year	**25,195**	22,165
Later than 1 year and not later than 5 years	**78,130**	72,050
Later than 5 years	**19,155**	32,250
	122,480	126,465

Total expenditure incurred under operating lease contracts during the year was £24,745 (2023: £22,123).

37. RELATED PARTIES

The Friends of the Keighley and Worth Valley Railway - The trustees of The Friends of the Keighley and Worth Valley Railway are appointed by the trustees of The Keighley and Worth Valley Railway Preservation Society Limited.

During the year, the Keighley and Worth Valley Light Railway Limited received grants amounting to £228,860 (2023 - £67,938) from The Friends of the Keighley and Worth Valley Railway of which £228,060 (2023 - £nil) has been recognised in the profit and loss account with an additional £20,191 (2023 - £20,191) released from deferred income. Total grants of £149,786 (2023 - £169,977) relating to fixed assets are included in deferred income.

KEIGHLEY & WORTH VALLEY RAILWAY PRESERVATION SOCIETY LIMITED

England & Wales - Charity number 1136853

Accounts

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

Company Limited by Guarantee

CONSOLIDATED FINANCIAL STATEMENTS

30 DECEMBER 2023

Company registration number: 07135945
Charity registration number: 1136853

STREETS®
SPENSER WILSON
CHARTERED ACCOUNTANTS

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

CONSOLIDATED FINANCIAL STATEMENTS

PERIOD FROM 1 JANUARY 2023 TO 30 DECEMBER 2023

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KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)

PERIOD FROM 1 JANUARY 2023 TO 30 DECEMBER 2023

The trustees, who are also the directors for the purposes of company law, present their report and the Consolidated financial statements of the charity for the period ended 30 December 2023.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	Keighley and Worth Valley Railway Preservation Society Ltd	
Charity registration number	1136853	
Company registration number	07135945	
Principal office and registered office	The Railway Station Station Road Haworth BD22 8NJ	
The trustees	Dr M J Stroh (Chairman)	
	W N Bennett	
	A Brown	
	J Duijsters	(Resigned 27 January 2024)
	R M R Graham	
	O Harrison	
	R Hart	(Resigned 20 July 2024)
	J Hinchcliffe	
	J Hoyle	
	R Hustwick	
	P Oliver	(Resigned 22 July 2023)
	T Ruddock	
	C Sheehan	(Appointed 20 July 2024)
	C G Smyth	(Resigned 22 July 2023)
	M Tarran	
	R Wilson	(Appointed 20 July 2024)
Company secretary	R Batty	
Auditor	Streets Spenser Wilson (Yorkshire) Limited Chartered Accountants & Statutory Auditor Equitable House 55 Pellon Lane Halifax West Yorkshire HX1 5SP	
Bankers	Barclays Bank Plc 77 North Street Keighley West Yorkshire BD21 3SA	

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document
The Keighley & Worth Valley Railway Preservation Society Limited is a company limited by guarantee governed by its Memorandum and Articles of Association dated 19 January 2010. It is registered as a charity with the Charity Commission (number 1136852).

Trustees
Trustees, who are also the Directors of the Charity, are elected for three years by Members at the Annual General Meeting. They are appointed on the basis of their personal skills/ experience and their commitment to the charity.

Trustees must be a member of the Charity, over 18 years old and not disqualified from acting as a Trustee under the Charities Act 2011.

Members who wish to be proposed as a Trustee must give notice to the Charity at least 45 days before the Annual General Meeting. Members receive at least 14 days' notice of the Annual General Meeting and are entitled to vote in person or by proxy.

At any one time there should be a minimum of two Trustees, but no maximum. At the date of this report, there are 11 Trustees.

No person or body, other than Members at the Annual General Meeting, or Trustees at a meeting, have the power to remove Trustees from office.

Trustee training
Following their election, Trustees are given briefing notes for the conduct of Directors produced by the Heritage Railway Association and the Charity Commission's guidance for Trustees. The Chairman, Company Secretary and Finance Director provide further guidance as is necessary. All Trustees are familiar with the Railway as members and most have volunteered for many years.

Organisation
The Trustees manage the business of the Charity, and each has responsibility for a specific part of the Charity's operations. There are also at least two Trustees representing members' interests.

The Charity has two related parties as follows:

- The Keighley and Worth Valley Light Railway Limited is a wholly owned subsidiary of the Charity, whose function is to operate the Railway and undertake commercial activities. It is a private limited company, incorporated in England and Wales, and wholly controlled by the Charity. Directors of the subsidiary are appointed by the Trustees of the Charity. The subsidiary also directly employs technical, professional and administrative support staff who, along with the directors, undertake the day-to-day running of the subsidiary. The Keighley and Worth Valley Light Railway Limited is included in these consolidated accounts.
- The Friends of the Keighley and Worth Valley Railway (formerly known as The Keighley and Worth Valley Railway Trust) is also a charity established to support the work of the Railway. Whilst the Trustees act independently, they are appointed by the Charity (KWVRPS) and the Friends of KWVR can only support projects that are ratified by the Board of the Charity (KWVRPS).

Risk management

The Trustees consider that the following are the most significant risks to the continued operation of the Railway:

- Safe operating: unsafe operations could result in an incident that prevents the Railway from running or do our visitors/volunteers/staff harm. To mitigate this risk, the Railway has a full Safety Management System in place and a clearly defined procedure for its review, amendment and approval. Safety and risk topics are a regular Operating Board meeting agenda item.
- A catastrophic infrastructure event: such an event could compromise the ability to operate the Railway. To mitigate this risk, the Railway has in place an on-going programme of preventive maintenance procedures. It also maintains appropriate insurance to further protect it from such events.
- Loss of volunteer resource: volunteers form the core of the Railway's workforce and without their on-going support, the Railway would cease to be financially viable and unable to meet is charitable objects. Both the Charity and the operating subsidiary actively manage the Railway's wide base of volunteer skill and time to mitigate this risk.
- Continue to attract income/funding: principally by attracting the public to visit the Railway. The sustainability of the Railway is based on sustaining the interest of the public. Continuing interest is ultimately central to the Charity's continued income and relevance.

OBJECTIVES AND ACTIVITIES

Objects and aims

The Charity has four objects in its articles of association. In summary they are:

1. the preservation, operation, restoration, maintenance and protection of the Keighley and Worth Valley Railway (the railway),
2. the preservation of archives, records and artifacts relating to the railway,
3. the education of the public through the operation of the railway,
4. other charitable purposes for the advancement of education associated with the railway.

The aim of the railway is to achieve its objects in a manner that is financially sustainable, whilst contributing to the local community (the Keighley/Bradford/West Yorkshire area) and its economy.

Public benefit

The Charity has continued to meet its charitable objects in the operation and preservation of the Railway and continues to seek to contribute to the local community through its programme of events. The operation of the Railway provides a wider benefit by seeking to sustain traditional engineering skills; by providing a welcoming environment for volunteers to develop new skills and competencies; and by sharing knowledge between similar organisations.

The Trustees confirm that they have each complied with their duties under section 17 (5) of the Charities Act 2011 to have due regard to the guidance on public benefit published by the Charity Commission when carrying out their roles and responsibilities.

Environmental policy
The Railway has developed an Environmental policy and covers this topic regularly at board meetings with a project co-ordinator leading this activity. We monitor closely the amount of energy used by the railway including gas, electricity, coal and diesel. The Railway's policy includes objectives to minimise unnecessary smoke, reuse materials where possible and minimise noise where feasible.

Objectives for the year
The Charity continued to have three primary objectives:

- To maintain an underlying operational surplus to enable investment in essential capital and investment expenditure requirements to be met through:
    a) growing passenger income (from fares, events and supplementary spend) above the previous year's level;
    b) retaining sufficient unrestricted and undesignated cash reserves whilst undertaking capital projects to maintain and enhance the Railway's assets and facilities;
    c) developing longer-term funding and project plans to enable the Charity to continue to meet the Railway's charitable objects.
- Through the Charity's trading subsidiary, develop an appropriate commercial plan, with a particular focus on enhancing the Railway's events, catering, drinks and retail offering.
- To develop long-term plans for the sustainability of the volunteer operation of the Railway.

Strategies for the year

1. Continue to manage costs carefully through a period of challenging economic conditions and to develop income levels whilst not endangering the long-term future of the Railway.
2. Establishment of a longer-term programme of strategic initiatives designed to enhance the commercial activities and invest in capital projects and infrastructure (principally on the planned civil maintenance bridge replacement and groundworks projects and the maintenance of the locomotive and rolling stock fleet).
3. Implement promotions activities and events aimed at increasing the number of passengers above the prior year level and to implement plans to increase revenue per passenger (from drinks, catering and retail).
4. 2023 saw a visit from the world famous locomotive "Flying Scotsman", with this event planned to boost visitor interest and provide a reason to visit to the Railway. The aim of such ambitious (and expensive to stage) festivals is to attract new visitors to the Railway and give a reason for existing visitors to make an additional visit. We believe that a pleasurable event will lead to further visits in the future.

Challenges during the year
During the Covid-19 period our maintenance and overhaul activities were reduced in order to conserve cash. This left the Railway with a major maintenance backlog, which was started to be addressed in 2022, and has been further addressed in 2023 (and will be further addressed in 2024).

Plans have been developed for major bridge renewal at Haworth. (referred to as Bridge 27) for execution in 2024. Following a period of high inflation (for example with steel and concrete), the cost of such a project has escalated rapidly. This means that the Railway's funding challenge is growing, adding pressure to develop the Operating Company's trading income and find external funding support.

Sourcing coal remains a difficult and expensive challenge with costs per tonne at twice the levels prior to the Ukraine war. This has led the railway to consider the balance of operations between heritage diesel and coal fired steam locomotives.

The Railway's café/ bar "The Old Parcels Office" at Keighley was closed for much of the year as result of the redevelopment works at Keighley station. The Railway's venture at "The Old Parcels Office" struggled to rebuild trade following the Covid-19 lockdown period, and any trading momentum has been hit further as a result of the works at Keighley station.

Significant activities during the year and volunteer involvement
It was pleasing to report that the most significant activities of the year relate to the operations of the Railway (running days or events) or the preservation/restoration work of the charity. A full running service was offered on every weekend of the year. Trains ran seven days a week in high summer and during school holidays. Enthusiasts Galas were staged (one featuring steam locos (March) and one with diesel stock (June)) and the ever popular Beer and Music Festival took place in October followed by the "Elf Explorer" Christmas family event. The Christmas events were attended in record numbers.

The "Flying Scotsman" festival in May 2023 was extremely well attended, with visitors turning up in force to see this great locomotive on static display at Ingrow and on the running days on the line. Almost every seat was sold.

Our civil engineering team have been busily planning and preparing for the renewal of Bridge 27 (at Haworth), as well as attending to the ongoing maintenance of the line.

The Mechanical engineering team continue to manage the on-going schedule of locomotive and rolling stock overhauls and repairs. Plans are in place to overhaul Pannier Tank (5775), the War Department locomotive (90733) and Class 25 Diesel locomotive (25029). We were pleased that recently overhauled Standard 4 locomotive 75078 enjoyed a year back in service on the line. Additionally, the Class 101 DMU have returned to working order after many months of maintenance and overhaul.

At the time of writing, we have over 650 volunteers registered with the Railway. The Trustees would like to thank all those volunteers who continue to contribute so significantly to the ongoing success and achievements of the Railway. The running operation demands a great deal from our volunteers. Running a programme of events through the year makes a very significant contribution to the Railway's finances and our day to day running and events programme could not be held without the efforts of our volunteers. Also, we are indebted to have the many volunteers who continue to work tirelessly on the maintenance of the Railway and its property and assets.

No attempt has been made to quantify the financial value of the work of the volunteers, but the Trustees acknowledge that the Railway would not be financially viable without their continued contribution. The Trustees monitor the number of new volunteers joining the Railway team.

Safeguarding our customers, volunteers and staff

We treat the personal safety of our customers, volunteers and staff very seriously - especially those who may be young or vulnerable. As a result, the Railway employs a co-ordinator to look after the interests of young people and carry out DBS (Disclosure and Barring Service) checks as required.

The employees of the Railway are employed by the Operating Company, the Keighley and Worth Valley Light Railway Ltd. We are grateful for the commitment of our hardworking staff.

STRATEGIC REPORT

The following sections for achievements and performance and financial review form the strategic report of the charity.

ACHIEVEMENTS AND PERFORMANCE

Achievement of objectives
Financial

The Trustees are pleased that the Railway has achieved its objectives relating to sound financial management and investment into infrastructure and we continue to operate with a strong operational fleet.

The unrestricted cash reserves, investment funds and designated funds of the Railway increased in the year.

Visitors Numbers (attracting the public to visit the Railway)

Passenger numbers and income increased in the year. Visitor numbers again exceeded 100,000, boosted by the one-off event of "Flying Scotsman" festival.

It has been particularly pleasing that our major events programme (specifically the Christmas Programme, enthusiasts Galas and the Beer and Music Festival) have attracted strong visitor levels to the Railway. To be able to attract high levels of visitors and reflects the success of the trading subsidiary's commercial plan.

Maintenance and Repairs (to sustain the Railways operating future)

Following the Covid - 19 era of 2020 and 2021, the Railway built up quite a maintenance backlog. Work has been carried out in 2022 and 2023 to offset this issue and will continue into 2024 and beyond. Our locomotive and coach overhaul programmes are moving forward with pace, with two major steam locomotives under on going overhaul, a diesel loco under overhaul and others undergoing ongoing repair. Our DMU fleet has been strengthened by the return to service of a Class 101 set, following g the refurbishment of a Pacer (Class 144) set the year before.

Keighley station is in the midst of a very significant redevelopment, and the Railway has taken this opportunity to start the refurbishment of the Water Tower and Signal box. Both of these latter projects will be concluded in 2024, with the Water Tower building becoming a visitor attraction in its own right open to the public.

Further work has been carried out by the Civil Engineering team to maintain the line, but a major focus has been planning and preparing for the rebuild of Bridge 27. This bridge replacement is the biggest single Civil Engineering project carried out by the Railway since re-opening in 1968.

Fundraising

Our fundraising income exceeded the previous year, principally from private donations or legacies. As money is spent on the Keighley Water Tower, support is funded by the Towns Deal fund. Additionally, we are grateful for support from the linked charity the Friends of the Keighley and Worth Valley Railway.

FINANCIAL REVIEW

The financial statements for 2023 demonstrate real progress on 2022, with significantly higher levels of income £3,418,504 (2022: £2,494,098).

The Railway enjoyed pleasing operating income across the year, with pleasing levels of visitors to the events programme. Our popular "Beer and Music" event in October was again well attended and our "Elf Explorer" Christmas offer was again a "sell out". As referred to earlier in the report, the commercial investment made in hiring the Flying Scotsman in May 2023 has been a successful venture. The themed Steam and Diesel galas were well attended (despite the heavy snow at the time of the March Steam gala).

Despite the commercial investments and the costs of tackling the maintenance backlog the funds of the Charity, net of restricted funds, has remained materiality consistent with the prior year at £5,423,544 (2022: £5,124,712) and this is testimony to the focus on successful running operators and careful cost management during the year. Total income grew to £3.4 million in 2024 from £2.5 million in 2022, but costs (net of taxation) increased by £790,910 (2022: £491,286) and cash increased from £1,469,407 to £1,857,664 (with £781,920 invested as part of the Charities investment strategy - referred to later).

All projects have been funded from both existing cash reserves, on-going fund-raising initiatives and operating activities.

At the end of 2023 the Charity had restricted funds of £5,692 relating to previous fundraising for two locomotives (Ivatt 41241 and 4F 43924). There has been no moment in these funds.

Relationship with Suppliers

The Railway recognises that its suppliers (along with customers, volunteers, members and staff) are a key "stakeholder" in the Railway. As such the Railway's policy is to pay invoices for satisfactory work to the terms agreed between the Railway and the contractor. The Railway uses local suppliers where feasible.

Policy on reserves
The Charity's policy is to hold a minimum of £150,000 unrestricted and undesignated cash at bank as a reserve against the realisation of any of the risks set out in the Risk Management section and aims to hold a working capital reserve (net of current assets) of at least £50,000 at 31 December each year, although the working capital requirement is higher than this during our intensive summer running period of operation. Cash at bank stood at £1,075,744 (2022: £730,718) plus investments of £781,920 (2022: £738,689) at the end of the year and there were no breaches of the reserve policy at any time during the year. Cash reserves and investments (unrestricted reserves and designated funds) were kept above £1 million across the year. Net current assets at the year-end remain well within historic norms for the Railway, totalling £980,864 (2022: £635,717).

Principal Funding sources
In 2023, the principal funding sources of the railway are income from our ongoing operations and to a lesser extent a combination of membership subscriptions, grants and donations.

PLANS FOR FUTURE PERIODS

Plans for future periods

The Trustees are committed to a number of initiatives over the medium term. These include:

- Protection and development of income from Railway operations through enhancement of visitor experience.
- Increase of the contribution to surplus from events, drinks, catering and retail operations through expanding the events and catering offering, (both on train and at stations) as well as creating new channels for retail operations (online web-shop and ticketing).
- The Trustees also recognise their duty to continue the programme of maintenance and capital expenditure to ensure the longevity of Railway assets under their care and expect to increase current levels of expenditure into the future. Financially, the Trustees expect to manage costs prudently to realise a modest long-term operating surplus (after maintenance costs). Any surplus is expected to be re-invested in capital expenditure programmes in future years. The Trustees also acknowledge that it will be necessary to be proactive in seeking funding from grant-making bodies so that development initiatives can be fully realised.

Investment Strategy

As at the time of writing this report in July 2024, the Charity holds a cash and investment balance of over £1.2m (covering unrestricted reserves and funds designated to future projects), with its subsidiary the Keighley and Worth Valley Light Railway Ltd holding a further balance that covers at least six weeks trading.

Following a period of sustained inflation (specifically relating energy and building materials) the Charity proactively manages its cash balance with an investment strategy. The Railway invests cash with an investments bank that has a successful track record working with charities. The aim is to make a return on our money, rather than allowing the real value of our balance to decline in an interest free bank account.

The Charity is wary of losses, and has no appetite for high levels of risk, but the impact and real cost of inflation is a certainty. The Railway invests in a portfolio which is cautious/ offers a low to moderate risk. This means that the Charity invests the majority of its funds split primarily between cash/fixed interest accounts, and equities (from a variety of sectors and geographics) but also to a lesser extent in alternative investment vehicles such as real estate income funds, infrastructure funds and investment funds.

The Investment Bank selects the Funds on the Charity's behalf. The majority of the investments are in UK Funds/ accounts. As stated above, the brief from the Railway is for a cautious return, rather than driven directly by social, environmental or ethical considerations.

It is a requirement of the Charity that the investment funds can be drawn down very quickly, rather than being locked away for years. This allows these balances to be drawn upon for major capital spend projects. The balance as of 30 December 2023 was £781,920 (2022 - £738,689).

The Finance Director follows the performance of these investments closely and he keeps the Trustees up to date with the results.

FUNDS HELD AS CUSTODIAN TRUSTEE

Neither the Charity nor its Trustees are acting as custodian trustees for funds held on behalf of others.

TRUSTEES' RESPONSIBILITIES STATEMENT

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

Company law requires the charity trustees to prepare Consolidated financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these Consolidated financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the Consolidated financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees' annual report and the strategic report were approved on 1 October 2024 and signed on behalf of the board of trustees by:

J HINCHCLIFFE
Trustee

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

PERIOD FROM 1 JANUARY 2023 TO 30 DECEMBER 2023

OPINION

We have audited the Consolidated financial statements of Keighley and Worth Valley Railway Preservation Society Ltd (the 'charity') for the period ended 30 December 2023 which comprise the consolidated statement of financial activities (including income and expenditure account), consolidated statement of financial position, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the Consolidated financial statements:

- give a true and fair view of the state of the group and charitable company's affairs as at 30 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the Consolidated 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 Consolidated financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the Consolidated 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 charity's ability to continue as a going concern for a period of at least twelve months from when the Consolidated financial statements are 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 other information comprises the information included in the annual report, other than the Consolidated financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the Consolidated financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated 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 Consolidated 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.

OPINIONS ON OTHER MATTERS 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 trustees' report for the financial period for which the Consolidated financial statements are prepared is consistent with the Consolidated financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Consolidated 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 trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the Consolidated 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 Consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the Consolidated financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the charity's members, 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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sally Shacklock BA FCA (Senior Statutory Auditor)

For and on behalf of
Streets Spenser Wilson (Yorkshire) Limited
Chartered Accountants & statutory auditor
Equitable House
55 Pellon Lane
Halifax
West Yorkshire
HX1 5SP

2 October 2024

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

PERIOD FROM 1 JANUARY 2023 TO 30 DECEMBER 2023

		Period from 1 Jan 23 to 30 Dec 23			Year to 31 Dec 22
	Note	Unrestricted funds £	Restricted funds £	**Total funds £**	Total funds £
Income and endowments					
Donations and legacies	**5**	428,073	–	**428,073**	223,976
Charitable activities	**6**	2,068,665	–	**2,068,665**	1,594,551
Other trading activities	**7**	885,944	–	**885,944**	656,678
Investment income	**8**	35,822	–	**35,822**	13,191
Other income	**9**	–	–	–	5,702
Total income		3,418,504	–	**3,418,504**	2,494,098
Expenditure					
Expenditure on raising funds:					
Costs of other trading activities	**10**	606,970	–	**606,970**	351,868
Expenditure on charitable activities	**11,12**	2,744,790	–	**2,744,790**	2,012,195
Taxation	**14**	(202,133)	–	**(202,133)**	(5,346)
Total expenditure		3,149,627	–	**3,149,627**	2,358,717
Net gains/(losses) on investments	**15**	(29,955)	–	**(29,955)**	8,138
Net income and net movement in funds		298,832	–	**298,832**	127,243
Reconciliation of funds					
Total funds brought forward		5,124,712	5,692	**5,130,404**	5,003,161
Total funds carried forward		5,423,544	5,692	**5,429,236**	5,130,404

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 20 to 43 form part of these Consolidated financial statements.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

(Company registration number: 07135945)

COMPANY LIMITED BY GUARANTEE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 DECEMBER 2023

	Note	30 Dec 23 £	30 Dec 23 £	31 Dec 22 £	31 Dec 22 £
FIXED ASSETS					
Tangible fixed assets	22		4,062,340		4,127,823
Investments	23		781,920		738,689
			4,844,260		4,866,512
CURRENT ASSETS					
Stocks	25	64,397		105,428	
Debtors	26	221,298		145,391	
Cash at bank and in hand		1,075,744		730,718	
		1,361,439		981,537	
CREDITORS: amounts falling due within one year	27	380,575		345,820	
NET CURRENT ASSETS			980,864		635,717
TOTAL ASSETS LESS CURRENT LIABILITIES			5,825,124		5,502,229
CREDITORS: amounts falling due after more than one year	28		395,888		169,692
PROVISIONS	31		–		202,133
NET ASSETS			5,429,236		5,130,404
FUNDS OF THE CHARITABLE COMPANY					
Restricted funds			5,692		5,692
Unrestricted funds			5,423,544		5,124,712
Total charitable company funds	33		5,429,236		5,130,404

These Consolidated financial statements were approved by the board of trustees and authorised for issue on 1 October 2024, and are signed on behalf of the board by:



DR M J STROH
Chairman

The notes on pages 20 to 43 form part of these Consolidated financial statements.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

(Company registration number: 07135945)

COMPANY LIMITED BY GUARANTEE

CHARITABLE COMPANY STATEMENT OF FINANCIAL POSITION

30 DECEMBER 2023

	Note	30 Dec 23		31 Dec 22	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	22		2,135,282		2,162,286
Investments	23		2,639,103		2,595,872
			4,774,385		4,758,158
CURRENT ASSETS					
Debtors	26	825,093		780,595	
Cash at bank and in hand		453,522		95,486	
		1,278,615		876,081	
CREDITORS: amounts falling due within one year	27	52,271		36,132	
NET CURRENT ASSETS			1,226,344		839,949
TOTAL ASSETS LESS CURRENT LIABILITIES			6,000,729		5,598,107
NET ASSETS			6,000,729		5,598,107
FUNDS OF THE CHARITABLE COMPANY					
Restricted funds			5,692		5,692
Unrestricted funds			5,995,037		5,592,415
Total charitable company funds	33		6,000,729		5,598,107

These financial statements were approved by the board of trustees and authorised for issue on 1 October 2024, and are signed on behalf of the board by:



DR M J STROH
Chairman

The notes on pages 20 to 43 form part of these Consolidated financial statements.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

CONSOLIDATED STATEMENT OF CASH FLOWS

PERIOD FROM 1 JANUARY 2023 TO 30 DECEMBER 2023

	30 Dec 23 £	31 Dec 22 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**298,832**	127,243
Adjustments for:		
Depreciation of tangible fixed assets	**251,036**	232,406
Net gains/(losses) on investments	**(29,955)**	8,138
Dividends, interest and rents from investments	**(22,299)**	(5,546)
Other interest receivable and similar income	**(13,523)**	(7,645)
Gains on disposal of tangible fixed assets	**–**	(5,702)
Taxation	**(202,133)**	(5,346)
Accrued expenses	**106,406**	62,026
Changes in:		
Stocks	**41,031**	(57,305)
Trade and other debtors	**(75,907)**	(71,926)
Trade and other creditors	**148,783**	78,527
Cash generated from operations	**502,271**	354,870
Interest received	**13,523**	7,645
Tax paid	**–**	(2,025)
Net cash from operating activities	**515,794**	360,490
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends, interest and rents from investments	**22,299**	5,546
Purchase of tangible assets	**(185,553)**	(165,189)
Proceeds from sale of tangible assets	**–**	12,500
Purchases of other investments	**(440,012)**	(767,861)
Proceeds from sale of other investments	**432,498**	21,034
Net cash used in investing activities	**(170,768)**	(893,970)
CASH FLOWS FROM FINANCING ACTIVITIES		
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**345,026**	(533,480)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**730,718**	1,264,198
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**1,075,744**	730,718

The notes on pages 20 to 43 form part of these Consolidated financial statements.

1. GENERAL INFORMATION

The charitable company is a public benefit entity and a private company limited by shares, registered in England and Wales. The address of the registered office is The Railway Station, Haworth, Keighley, West Yorkshire, BD22 8NJ.

2. STATEMENT OF COMPLIANCE

These Consolidated financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparation

The Consolidated financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through income or expenditure.

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

Going concern

The Railway has demonstrated its resilience through one of the most unusual periods in its existence. Whilst there will be significant challenges as the economy recovers from the impact of the Covid-19 pandemic, now that the Railway has re-commenced operations and with the ongoing support of the Keighley and Worth Valley Preservation Society, the Directors are of the opinion that there are no material uncertainties about the company's ability to continue for the foreseeable future.

Consolidation

The financial statements consolidate the financial statements of the charitable company and all of its subsidiary undertakings.

The parent charitable company has applied the exemption contained in section 408 of the Companies Act 2006 and has not included its individual statement of financial activities (including income and expenditure account).

3. ACCOUNTING POLICIES *(continued)*

Judgements and key sources of estimation uncertainty

In the application of the charitable company's accounting policies, the directors 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.

Critical judgements
The following judgements (apart from those involving estimates) have had the most significant effect on the amounts recognised in the financial statements.

Depreciation
The charitable company exercises judgement to determine useful lives and residual values of property, plant and equipment. The assets are depreciation to their estimated residual values over their estimated useful lives.

Income tax

The charitable company is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charitable company's purposes.

Designated funds are unrestricted funds earmarked by the trustees for a particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal.

3. ACCOUNTING POLICIES *(continued)*

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charitable company, it is probable that the economic benefits associated with the transaction will flow to the charitable company and the amount can be reliably measured. The following specific policies are applied to particular categories of income: - income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.

- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

3. ACCOUNTING POLICIES *(continued)*

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the charity's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed five years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	fully amortised

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible fixed assets

Individual fixed assets are capitalised at cost and depreciated on a straight line basis over their estimated useful economic lives taking account of any residual values, as follows :

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Depreciation rates (all calculated on a straight line basis):

Freehold land	Nil
Freehold buildings	2% per annum
Leasehold buildings	over the life of the lease
Property improvements	33% per annum
Locomotive restorations	10% per annum (see below)
Plant, machinery and equipment	10% per annum
Fixtures and fittings	10% per annum
Office equipment and furniture	20% per annum
Computer hardware and purchased software	33% per annum
Catering equipment	33% per annum

3. ACCOUNTING POLICIES *(continued)*

Depreciation *(continued)*

The Railway maintains its operating locomotives and other rolling stock items in full working order, and all routine maintenance costs are charged to the Statement of Financial Activities when incurred. Additionally, some items are held as a non-operating strategic reserve at their residual asset values. Locomotives and other rolling stock items are therefore considered to have indeterminate lives and the Directors do not consider it appropriate to charge depreciation except as set out below.

When a major renovation or restoration of a locomotive takes place, the relevant costs incurred are capitalised as fixed assets, and depreciated on a straight line basis from the point at which the locomotive re-enters service over its expected useful economic life (usually the ten-year life of a steam locomotive boiler ticket) down to the residual non-running value of the locomotive. When a major renovation or restoration takes place on a locomotive that remains the property of an independent owners' group and a long-term hire agreement is in place between the Charity's operating subsidiary and that owners' group, the costs incurred by the operating subsidiary are also capitalised as fixed assets and depreciated on a straight line basis over the expected useful economic life of that locomotive to the Charity.

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Stocks

Stocks are measured at the lower of cost and net realisable value.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

3. ACCOUNTING POLICIES *(continued)*

Grants

Grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Grants are recognised using the accrual model.

Under the accrual model, grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Operating leases

Rentals payable under operating leases are charged to the profit and loss on a straight-line basis over the lease term. The aggregate benefit of lease incentives are recognised as a reduction to expense recognised over the lease term, on a straight-line basis.

Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

3. ACCOUNTING POLICIES *(continued)*

Provisions *(continued)*

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in income or expenditure unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in the statement of financial activities in the period it arises, and is allocated to the appropriate expenditure heading.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss. Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. LIMITED BY GUARANTEE

The charitable company is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

5. DONATIONS AND LEGACIES

	Unrestricted Funds £	**Total Funds 2023 £**	Unrestricted Funds £	Total Funds 2022 £
DONATIONS				
Bequests and donations	324,287	**324,287**	105,308	105,308
GIFTS				
Membership subscriptions	76,146	**76,146**	58,496	58,496
GRANTS				
Grants receivable	27,640	**27,640**	60,172	60,172
	428,073	**428,073**	223,976	223,976

6. CHARITABLE ACTIVITIES

	Unrestricted Funds £	**Total Funds 2023 £**	Unrestricted Funds £	Total Funds 2022 £
Fares	802,311	**802,311**	832,160	832,160
Loco Hire	–	**–**	5,900	5,900
Special events income	1,254,694	**1,254,694**	749,891	749,891
Private Hire	11,660	**11,660**	6,600	6,600
	2,068,665	**2,068,665**	1,594,551	1,594,551

7. OTHER TRADING ACTIVITIES

	Unrestricted Funds	**Total Funds 2023**	Unrestricted Funds	Total Funds 2022
	£	**£**	£	£
Catering income	518,603	**518,603**	289,819	289,819
Shop income	191,277	**191,277**	163,546	163,546
Parking	10,155	**10,155**	24,111	24,111
Filming fees	156,362	**156,362**	168,350	168,350
Sundries	4,424	**4,424**	7,404	7,404
Scrap	5,123	**5,123**	3,448	3,448
	885,944	**885,944**	656,678	656,678

8. INVESTMENT INCOME

	Unrestricted Funds	**Total Funds 2023**	Unrestricted Funds	Total Funds 2022
	£	**£**	£	£
Income from listed investments	22,299	**22,299**	2,161	2,161
Income from cash investments	–	**–**	3,385	3,385
Bank interest receivable	10,995	**10,995**	4,836	4,836
Rent receivable	2,528	**2,528**	2,809	2,809
	35,822	**35,822**	13,191	13,191

9. OTHER INCOME

	Unrestricted Funds	**Total Funds 2023**	Unrestricted Funds	Total Funds 2022
	£	**£**	£	£
Gain on disposal of tangible fixed assets held for charity's own use	–	**–**	5,702	5,702

10. COSTS OF OTHER TRADING ACTIVITIES

	Unrestricted Funds	**Total Funds 2023**	Unrestricted Funds	Total Funds 2022
	£	**£**	£	£
Shop costs	85,347	**85,347**	104,909	104,909
Catering	521,623	**521,623**	246,959	246,959
	606,970	**606,970**	351,868	351,868

11. EXPENDITURE ON CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds	**Total Funds 2023**	Unrestricted Funds	Total Funds 2022
	£	**£**	£	£
Train services	1,638,275	**1,638,275**	1,135,891	1,135,891
Support costs	1,106,515	**1,106,515**	876,304	876,304
	2,744,790	**2,744,790**	2,012,195	2,012,195

12. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly	Support costs	**Total funds 2023**	Total fund 2022
	£	£	**£**	£
Train services	1,638,275	758,116	**2,396,391**	1,764,048
Shop	–	42,540	**42,540**	37,038
Catering	–	106,347	**106,347**	58,202
Fundraising activities	–	85,659	**85,659**	58,550
Other activities	–	69,278	**69,278**	61,936
Governance costs	–	44,575	**44,575**	32,421
	1,638,275	1,106,515	**2,744,790**	2,012,195

The support costs of £1,106,515 (2022 - £876,304) are apportioned in this note across the charitable and other trading activities in the group as set out above and in note 13.

13. ANALYSIS OF SUPPORT COSTS

	Train services	Shop	Catering	Fund raising activities	Other activities	**Total 2023**	Total 2022
	£	£	£	£	£	**£**	£
Staff costs	175,470	17,547	43,868	38,018	17,547	**292,450**	231,261
Premises	93,884	9,389	23,471	16,950	12,780	**156,474**	104,674
Communications and IT	42,031	4,203	10,507	1,144	12,165	**70,050**	32,588
General office	26,545	–	–	–	–	**26,545**	25,975
Governance costs	–	–	–	–	44,575	**44,575**	32,421
Insurance	42,029	4,203	10,507	–	13,309	**70,048**	55,147
Publicity	55,143	–	–	–	–	**55,143**	36,435
Bank charges	42,998	4,300	10,749	9,316	4,300	**71,663**	53,761
Sundry expenses	28,979	2,898	7,245	–	9,177	**48,299**	51,835
Depreciation	251,037	–	–	–	–	**251,037**	232,406
Push and Pull magazine	–	–	–	20,231	–	**20,231**	19,801
	758,116	42,540	106,347	85,659	113,853	**1,106,515**	876,304

14. TAXATION

Major components of tax income

	Period from 1 Jan 23 to 30 Dec 23	Year to 31 Dec 22
	£	£
Current tax:		
UK current tax expense	–	2,025
Deferred tax:		
Origination and reversal of timing differences	**(202,133)**	(7,371)
Taxation	**(202,133)**	(5,346)

15. NET GAINS/(LOSSES) ON INVESTMENTS

	Unrestricted Funds	**Total Funds 2023**	Unrestricted Funds	Total Funds 2022
	£	**£**	£	£
Unrealised gain/(losses) on listed investments	32,604	**32,604**	(6,419)	(6,419)
Realised gains/(losses) on listed investments	(2,649)	**(2,649)**	(1,719)	(1,719)
	29,955	**29,955**	(8,138)	(8,138)

16. NET INCOME

Net income is stated after charging/(crediting):

	30 Dec 23	31 Dec 22
	£	£
Depreciation of tangible fixed assets	**251,036**	232,406
Gains on disposal of tangible fixed assets	–	(5,702)

17. AUDITORS REMUNERATION

	Period from 1 Jan 23 to 30 Dec 23	Year to 31 Dec 22
	£	£
Fees payable for the audit of the financial statements of the subsidiary	**7,813**	5,303
Fees payable to the charity's auditor and its associates for other services:		
Audit of the Consolidated financial statements of associates	**10,239**	6,333
Other non-audit services	**500**	–
	10,739	6,333

18. STAFF COSTS

The total staff costs and employee benefits for the reporting period are analysed as follows:

	Period from 1 Jan 23 to 30 Dec 23	Year to 31 Dec 22
	£	£
Wages and salaries	**468,752**	329,777
Social security costs	**32,000**	25,774
Employer contributions to pension plans	**6,471**	5,274
	507,223	360,825

The average head count of employees during the period was 43 (2022: 40). The average number of full-time equivalent employees during the period is analysed as follows:

	30 Dec 23	31 Dec 22
	No.	No.
Administration	**6**	6
Loco department	**5**	2
Shop and catering	**9**	8
Summer seasonal staff	**3**	–
	23	16

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

19. TRUSTEE REMUNERATION AND EXPENSES

A director received remuneration of £5,568 (2022 - £5,142), in respect of services provided to the Keighley and Worth Valley Light Railway Limited.

No trustees received remuneration or other benefits from employment with the charitable company or a related entity during the current or previous year.

No expenses were paid to the trustees during this or the previous year.

20. FINANCIAL PERFORMANCE OF THE CHARITY

	Unrestricted funds	Restricted funds	Total funds 2023
	£		£
Donations and grants received	336,587	–	336,587
Membership and other income	104,235	–	104,235
	440,822	–	440,822
Costs of generating voluntary income	20,231	–	20,231
Governance costs	20,836	–	20,836
Support costs	27,088	–	27,088
Net gain on investments	(29,955)	–	(29,955)
	38,200	–	38,200
Net movement in funds	402,622	–	402,622
Total funds Brought forward	5,592,415	5,692	5,598,107
Total funds carried forward	5,995,037	5,692	6,000,729

Comparative

	Unrestricted funds	Restricted funds	Total funds 2022
	£	£	£
Donations and grants received	105,278	–	105,278
Membership and other income	75,927	–	75,927
	181,205	–	181,205
Costs of generating voluntary income	19,801	–	19,801
Governance costs	13,912	–	13,912
Net losses on investments	8,138	–	8,138
	41,851	–	41,851
Net movement in funds	112,248	–	112,248
Total funds brought forward	5,480,167	5,692	5,485,859
Total funds carried forward	5,592,415	5,692	5,598,107

21. INTANGIBLE ASSETS

	Goodwill £
Cost	
At 1 January 2023 and 30 December 2023	**40,000**
Amortisation	
At 1 January 2023 and 30 December 2023	**40,000**
Carrying amount	
At 30 December 2023	–
At 31 December 2022	–

22. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold property £	Fixtures & fittings £	Locomotives & rolling stock £	**Total £**
Cost					
At 1 January 2023	2,005,119	42,509	568,129	3,019,962	**5,635,719**
Additions	110,495	–	64,459	10,599	**185,553**
At 30 December 2023	2,115,614	42,509	632,588	3,030,561	**5,821,272**
Depreciation					
At 1 January 2023	162,693	25,416	454,730	865,057	**1,507,896**
Charge for the period	66,023	852	46,686	137,475	**251,036**
At 30 December 2023	228,716	26,268	501,416	1,002,532	**1,758,932**
Carrying amount					
At 30 December 2023	1,886,898	16,241	131,172	2,028,029	**4,062,340**
At 31 December 2022	1,842,426	17,093	113,399	2,154,905	4,127,823

22. TANGIBLE FIXED ASSETS *(continued)*

Charitable company

	Freehold property £	Long leasehold property £	Plant & machinery £	Locomotives and rolling stock £	**Total £**
Cost At 1 January 2023 and 30 December 2023	847,642	1,412	47,413	1,393,191	**2,289,658**
Depreciation					
At 1 January 2023	55,936	108	15,506	55,822	**127,372**
Charge for the year	14,352	36	4,741	7,875	**27,004**
At 30 December 2023	70,288	144	20,247	63,697	**154,376**
Carrying amount					
At 30 December 2023	777,354	1,268	27,166	1,329,494	**2,135,282**
At 31 December 2022	791,706	1,304	31,907	1,337,369	2,162,286

23. INVESTMENTS

	Shares in group undertakings £	Cash or cash equivalents £	Listed investments £	**Total £**
Cost or valuation				
At 1 January 2023	1,857,183	54,360	684,329	**738,689**
Additions	–	–	440,012	**440,012**
Disposals	–	–	(391,775)	**(391,775)**
Unrealised gains	–	–	32,605	**32,605**
Realised losses	–	–	(2,649)	**(2,649)**
Other movement	–	(34,962)	–	–
At 30 December 2023	1,857,183	19,398	762,522	**816,882**
At 31 December 2022	1,857,183	54,360	684,329	2,595,872

Charitable company

	Cash or cash equivalents £	Listed investments £	**Total £**
Cost or valuation			
At 1 January 2023	54,360	684,329	**738,689**
Additions	–	440,012	**440,012**
Disposals	–	(391,775)	**(391,775)**
Fair value movements	–	32,605	**32,605**
Other movements	(34,962)	(2,649)	**(37,611)**
At 30 December 2023	19,398	762,522	**781,920**
Impairment			
At 1 January 2023 and 30 December 2023			–
Carrying amount			
At 30 December 2023	19,398	762,522	**781,920**
At 31 December 2022	54,360	684,329	738,689

All investments shown above are held at valuation.

Financial assets held at fair value

UK quoted securities are valued at the mid-market price quoted by the London Stock Exchange.

All investments are held in the UK and are held primarily to provide an investment return for the charity.

The following investments were worth more than 5% of the portfolio value at 30 December 2023.

	Units	**%Total MV**	**Market value 2023**
	£		**£**
UK (Govt of) 0.25% Gilt 31/01/25	**40,000**	**5.0**	**38,327**
UK (Govt of) 5% Gilt 07/03/2025	**10,000**	**8.1**	**61,474**
Close Sustainable Select Fixed income	**40,000**	**5.4**	**38,660**
UK (Govt of) 4.25% Gilt 22/07/23	**40,000**	**5.1**	**41,350**

24. INVESTMENT ENTITIES

Subsidiaries and other investments

There are no investments outside the UK.

The charitable company's investments at the balance sheet date and included in these consolidated accounts comprise:

Keighley and Worth Valley Light Railway Ltd

Company number	008710851
Country of incorporation	England and Wales
Registered office	The Railway Station Station Road Haworth BD22 8NJ
Nature of business	Operation of the Keighley and Worth Valley Railway
Class of shares	Ordinary

There is a minority interest in the subsidiary, Keighley and Worth Valley Light Railway Ltd, consisting of 164 ordinary shares of £10 each. These shares do not entitle the holder to a dividend or voting rights. On winding up of the company they would be entitled to a maximum of the nominal value. The Charity holds 100% of all shares entitled to voting rights and dividends.

	2023 £	2022 £
Summary of trading results		
Turnover	**2,936,519**	2,239,373
Total expenditure	**(3,283,606)**	(2,297,541)
Other operating income	**50,279**	83,092
Other income	**10,995**	4,836
Taxation	**–**	5,346
Loss for the year	**(285,813)**	35,106
Assets	**2,578,518**	2,606,578
Liabilities	**(1,635,620)**	(1,580,000)
Summary of assets and liabilities	**942,898**	1,026,578

25. STOCKS

	30 Dec 23	31 Dec 22
	£	£
Retail shop stock	**64,397**	105,428

26. DEBTORS

	30 Dec 23	31 Dec 22
	£	£
Trade debtors	**44,348**	32,817
Prepayments and accrued income	**94,480**	73,655
Other debtors	**82,470**	38,919
	221,298	145,391

Charitable company

	30 Dec 23	31 Dec 22
	£	£
Trade debtors	**(1,306)**	10
Amounts owed by subsidiary undertaking	**812,751**	700,008
VAT	**13,648**	224
	825,093	700,242

The amounts owed by the subsidiary undertaking are unsecured and repayable on demand.

27. CREDITORS: amounts falling due within one year

	30 Dec 23	31 Dec 22
	£	£
Trade creditors	**188,114**	138,538
Amounts owed to undertakings in which the charity has a participating interest	**5,762**	–
Accruals and deferred income	**158,634**	164,627
Social security and other taxes	**16,055**	10,476
Sundry creditors	**12,010**	32,179
	380,575	345,820

27. CREDITORS: amounts falling due within one year *(continued)*

Charitable company

	30 Dec 23	31 Dec 22
	£	£
Trade creditors	**15,661**	5,130
Accrual and deferred income	**36,610**	31,002
	52,271	36,132

28. CREDITORS: amounts falling due after more than one year

	30 Dec 23	31 Dec 22
	£	£
Accruals and deferred income	**395,888**	169,692

29. DEFERRED INCOME

	30 Dec 23	31 Dec 22
	£	£
At 1 Jan 23	**239,834**	236,831
Amount released to income	**(239,834)**	(236,831)
Amount deferred in period	**353,631**	239,834
At 30 Dec 23	**353,631**	239,834

At the balance sheet date the Keighley & Worth Valley Railway Preservation Society Limited held funds received in advance which all relate to monies in advance for the 2024 financial year as follows:

	2023	2022
	£	£
Subscriptions paid in advance	**29,010**	26,502
Grant income received in advance	**324,621**	213,332
	353,631	239,834

30. DEFERRED TAX

The deferred tax included in the statement of financial position is as follows:

	30 Dec 23	31 Dec 22
	£	£
Included in provisions (note 31)	**–**	202,133

The deferred tax account consists of the tax effect of timing differences in respect of:

	30 Dec 23	31 Dec 22
	£	£
Accelerated capital allowances	**–**	202,133

31. PROVISIONS

	Deferred tax (note 30)
	£
At 1 January 2023	**202,133**
Covered by losses	**(202,133)**
At 30 December 2023	**–**

32. PENSIONS AND OTHER POST RETIREMENT BENEFITS

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £6,471 (2022: £5,274).

33. ANALYSIS OF CHARITABLE FUNDS

Unrestricted funds

	1 Jan 2023	Income	Expenditure	Transfers	Gains and losses	**30 Dec 2023**
	£	£	£	£	£	**£**
General funds	3,924,712	3,418,504	(3,149,627)	–	29,955	**4,223,544**
Capital projects	1,200,000	–	–	–	–	**1,200,000**
	5,124,712	3,418,504	(3,149,627)	–	29,955	**5,423,544**

	1 Jan 2022	Income	Expenditure	Transfers	Gains and losses	31 Dec 2022
	£	£	£	£	£	£
General funds	4,997,469	2,494,098	(2,358,717)	(1,200,000)	(8,138)	3,924,712
Capital projects	–	–	–	1,200,000	–	1,200,000
	4,997,469	2,494,098	(2,358,717)	–	(8,138)	5,124,712

Designated funds relating to capital projects will be spent in the 2024 financial year.

Restricted funds

	1 Jan 2023	Income	Expenditure	Transfers	Gains and losses	**30 Dec 2023**
	£	£	£	£	£	**£**
41241 Ivatt	5,253	–	–	–	–	**5,253**
Engine 43924	439	–	–	–	–	**439**
	5,692	–	–	–	–	**5,692**

	1 Jan 2022	Income	Expenditure	Transfers	Gains and losses	31 Dec 2022
	£	£	£	£	£	£
41241 Ivatt	5,253	–	–	–	–	5,253
Engine 43924	439	–	–	–	–	439
	5,692	–	–	–	–	5,692

Restricted funds relate to appeals for restoration work on specific locomotives as details above.

34. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	**Total Funds 2023**
	£	£	**£**
Tangible fixed assets	4,062,340	–	**4,062,340**
Investments	781,920	–	**781,920**
Current assets	1,355,747	5,692	**1,361,439**
Creditors less than 1 year	(380,575)	–	**(380,575)**
Creditors greater than 1 year	(395,888)	–	**(395,888)**
Provisions	–	–	–
Net assets	5,423,544	5,692	**5,429,236**

	Unrestricted Funds	Restricted Funds	Total Funds 2022
	£	£	£
Tangible fixed assets	4,127,823	–	4,127,823
Investments	738,689	–	738,689
Current assets	975,845	5,692	981,537
Creditors less than 1 year	(345,820)	–	(345,820)
Creditors greater than 1 year	(169,692)	–	(169,692)
Provisions	(202,133)	–	(202,133)
Net assets	5,124,712	5,692	5,130,404

35. ANALYSIS OF CHANGES IN NET DEBT

	1 Jan 2023	Cash flows	**30 Dec 2023**
	£	£	**£**
Cash at bank and in hand	730,718	345,026	**1,075,744**
Debt due within one year	–	(5,762)	**(5,762)**
	730,718	339,264	**1,069,982**

36. CAPITAL COMMITMENTS

Capital expenditure contracted for but not provided for in the Consolidated financial statements is as follows:

	30 Dec 23	31 Dec 22
	£	£
Tangible fixed assets	**29,105**	–

37. OPERATING LEASE COMMITMENTS

The total future minimum lease payments under non-cancellable operating leases are as follows:

	30 Dec 23	31 Dec 22
	£	£
Not later than 1 year	**22,165**	19,045
Later than 1 year and not later than 5 years	**39,800**	50,808
Later than 5 years	**64,500**	64,500
	126,465	134,353

Total expenditure incurred under operating lease contracts during the year was £22,123 (2022: £21,259).

38. RELATED PARTIES

The Friends of the Keighley and Worth Valley Railway - The trustees of The Friends of the Keighley and Worth Valley Railway are appointed by the trustees of The Keighley and Worth Valley Railway Preservation Society Limited.

During the year the year The Friends of the Keighley and Worth Valley Railway charged the company £nil (2022 - £5,762) for mileage costs incurred.

During the year, the Keighley and Worth Valley Light Railway Limited received grants amounting to £67,938 (2022 - £20,193) from The Friends of the Keighley and Worth Valley Railway of which £nil; (2022 - £8,000) has been recognised in the profit and loss account with an additional £20,191 (2022 - £16,191) released from deferred income. The remaining grants of £nil (2022 - £11,622) have been deferred over the life of the assets which the grants relate to. Total grants of £169,977 (2022 - £122,230) relating to fixed assets are included in deferred income.

KEIGHLEY & WORTH VALLEY RAILWAY PRESERVATION SOCIETY LIMITED

England & Wales - Charity number 1136853

Accounts

WORTH VALLEY

THE KEIGHLEY AND WORTH VALLEY RAILWAY

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

Company Limited by Guarantee

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2022

Company registration number: 07135945
Charity registration number: 1136853

Spenser Wilson
Chartered Accountants & Business Advisers

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

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KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)

YEAR ENDED 31 DECEMBER 2022

The trustees, who are also the directors for the purposes of company law, present their report and the Consolidated financial statements of the charity for the year ended 31 December 2022.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	Keighley and Worth Valley Railway Preservation Society Ltd	
Charity registration number	1136853	
Company registration number	07135945	
Principal office and registered Office	The Railway Station Station Road Haworth BD22 8NJ	
The Trustees	Dr M J Stroh (Chairman)	
	P Balmforth	(Resigned 22 July 2022)
	W N Bennett	
	W H Black	(Resigned 10 August 2022)
	A Brown	
	J Duijsters	
	R M R Graham	
	O Harrison	(Appointed 22 July 2022)
	R Hart	
	J Hinchcliffe	
	J Hoyle	
	R Hustwick	
	P Oliver	
	K Pilsworth	(Resigned 17 July 2022)
	T Ruddock	
	C G Smyth	
	M Tarran	
Company secretary	R Batty	
Auditor	Spenser Wilson Ltd Chartered Accountants & statutory auditor Equitable House 55 Pellon Lane Halifax West Yorkshire HX1 5SP	
Bankers	Barclays Bank Plc 77 North Street Keighley West Yorkshire BD21 3SA	

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Keighley & Worth Valley Railway Preservation Society Limited (the Charity)is a company limited by guarantee governed by its Memorandum and Articles of Association dated 19 January 2010. It is registered as a charity with the Charity Commission (number 1136852).

Trustees

Trustees, who are also the Directors of the Charity, are elected for three years by Members at the Annual General Meeting. They are appointed on the basis of their personal skills/experience and their commitment to the charity.

Trustees must be a member of the Charity, over 18 years old and not disqualified from acting as a Trustee under the Charities Act 2011.

Members who wish to be proposed as a Trustee must give notice to the Charity at least 45 days before the Annual General Meeting. Members receive at least 14 days' notice of the Annual General Meeting and are entitled to vote in person or by proxy.

At any one time there should be a minimum of two Trustees, but no maximum. At the date of this report, there are 14 Trustees.

No person or body, other than Members at the Annual General Meeting, or Trustees at a meeting, have the power to remove Trustees from office.

Trustee training

Following their election, Trustees are given briefing notes for the conduct of Directors produced by the Heritage Railway Association and the Charity Commission's guidance for Trustees. The Chairman, Company Secretary and Finance Director provide further guidance as is necessary. All Trustees are familiar with the Railway as members and most have volunteered for many years.

Organisation

The Trustees manage the business of the Charity and each has responsibility for a specific part of the Charity's operations. There are also at least two Trustees representing members' interests.

The Charity has two related parties as follows:

- The Keighley and Worth Valley Light Railway Limited is a wholly owned subsidiary of the Charity, whose function is to operate the Railway and undertake commercial activities. It is a private limited company, incorporated in England and Wales, and wholly controlled by the Charity. Directors of the subsidiary are appointed by the Trustees of the Charity. Up to half of the total number of Directors of the subsidiary may also be Trustees of the Charity. The subsidiary also directly employs technical, professional and administrative support staff who, along with the directors, undertake the day-to-day running of the subsidiary. The Keighley and Worth Valley Light Railway Limited is included in these consolidated accounts.
- The Friends of the Keighley and Worth Valley Railway (formerly known as The Keighley and Worth Valley Railway Trust) is also a charity established to support the work of the Railway. Whilst the Trustees act independently, they are appointed by the Charity (KWVRPS) and the Friends of KWVR can only support projects that are ratified by the Board of the Charity (KWVRPS).

Risk management
The Trustees consider that the following are the most significant risks to the continued operation of the Railway:

- Safe operating: unsafe operations could result in an incident that prevents the Railway from running. To mitigate this risk, the Railway has a full Safety Management System in place and a clearly defined procedure for its review, amendment and approval.
- A catastrophic infrastructure event: such an event could compromise the ability to operate the Railway. To mitigate this risk, the Railway has in place an on-going programme of preventive maintenance procedures. It also maintains appropriate insurance to further protect it from such events.
- Loss of volunteer resource: volunteers form the core of the Railway's workforce and without their on-going support, the Railway would cease to be financially viable and unable to meet is charitable objects. Both the Charity and the operating subsidiary actively manage the Railway's wide base of volunteer skill and time to mitigate this risk.
- Continue to attract income/funding: principally by attracting the public to visit the Railway. The sustainability of the Railway is based on sustaining the interest of the public. Continuing interest is ultimately central to the Charity's continued income and relevance.

OBJECTIVES AND ACTIVITIES

Objects and aims
The Charity has four objects in its articles of association. In summary they are:

1. the preservation, operation, restoration, maintenance and protection of the Keighley and Worth Valley Railway (the Railway),
2. the preservation of archives, records and artifacts relating to the railway,
3. the education of the public through the operation of the railway,
4. other charitable purposes for the advancement of education associated with the railway.

The aim of the railway is to achieve its objects in a manner that is financially sustainable, whilst contributing to the local community and its economy.

Public benefit
The Charity has continued to meet its charitable objects in the operation and preservation of the Railway and continues to seek to contribute to the local community through its programme of events. The operation of the Railway provides a wider benefit by seeking to sustain traditional engineering skills; by providing a welcoming environment for volunteers to develop new skills and competencies; and by sharing knowledge between similar organisations.

The Trustees confirm that they have each complied with their duties under section 17 (5) of the Charities Act 2011 to have due regard to the guidance on public benefit published by the Charity Commission when carrying out their roles and responsibilities.

Environmental policy
The Railway has developed an Environmental policy and covers this topic regularly at board meetings with a project co-ordinator leading this activity. We monitor closely the amount of energy used by the railway including gas, electricity, coal and diesel. The Railway's policy includes objectives to minimise unnecessary smoke, reuse materials where possible and minimise noise where feasible.

Objectives for the year

The Charity continued to have three primary objectives:

1. To maintain an underlying operational surplus to enable investment in essential capital and investment expenditure requirements to be met through:
    a. maintaining passenger income (from fares and events) at least at the previous year's level;
    b. retaining sufficient unrestricted and undesignated cash reserves whilst undertaking capital projects to maintain and enhance the Railway's assets and facilities;
    c. developing longer-term funding and project plans to enable the Charity to continue to meet the Railway's charitable objects.
2. Through the Charity's trading subsidiary, develop an appropriate commercial plan, with a particular focus on enhancing the Railway's events, catering, drinks and retail offering.
3. To develop long-term plans for the sustainability of the volunteer operation of the Railway.

Strategies for the year

1. Continue to manage costs carefully through a period of challenging economic conditions and to maintain income levels whilst not endangering the long-term future of the Railway.
2. Establishment of a longer-term programme of strategic initiatives designed to enhance the commercial activities and invest in capital projects and infrastructure (principally on the planned civil maintenance bridge replacement and groundworks projects and the maintenance of the locomotive and rolling stock fleet).
3. Implement promotions, activities and events aimed at retaining the number of passengers to at least the prior year level and to implement plans to increase revenue per passenger (from drinks, catering and retail).

Challenges during the year

2022 was our first "normal" year of operation since the Covid -19 pandemic. However following the pandemic we were left with the challenge of rebuilding visitor numbers after a period of closure and inevitable cautious customer behaviour.

During the Covid-19 period our maintenance and overhaul activities were reduced in order to conserve cash. This has left the Railway with a major maintenance backlog, which was started to be addressed in 2022, but will require further effort over the next few years.

Plans are being developed for major bridge renewal at Haworth. There is an increasing challenge developing from the escalating rate of inflation with building materials (for example with steel and concrete) which means that the cost of major projects is growing rapidly. This means that the Railway's funding challenge is growing, adding pressure to develop the Operating Company's trading income.

During the Covid-19 period, the Railway was well supported by the Department of Culture Media and Sport (via the National Heritage Lottery Fund) and other benefactors (including private supporters). Inevitably this funding was not available or was significantly reduced in 2022.

The Railway's café/bar "The Old Parcels Office" at Keighley was closed for much of the year as result of the legacy of the Covid lockdown. (Principally the reduced passenger numbers at Keighley station (from Network Rail) hit café traffic and major maintenance issues with the property (where the landlord had to undertake significant repairs)).

In the longer-term we, like other heritage railways, remain concerned for the continued supply of coal and the price of diesel. This issue has been further exacerbated by the continuing Russia/Ukraine war and very significant inflation in world energy prices. The price of coal doubled within the year and looks set to remain high in 2023.

Significant activities during the year and volunteer involvement
It was pleasing to report (after the pandemic) that the most significant activities of the year relate to the operations of the Railway. A full running service was offered on every weekend of the year. Trains ran seven days a week in high summer and during school holidays. Enthusiasts Galas were staged (one featuring steam locos and one with diesel stock) and the ever popular Beer and Music Festival took place in October followed by the "Elf Explorer" Christmas family event. The Christmas event was attended in record numbers.

Civil engineering maintenance activities restarted (including for example repairs to the drainage and track at/near Ingrow West Station and replacement windows at Keighley Station). Locomotive and rolling stock overhauls have also restarted.

The Trustees would like to thank all those volunteers who continue to contribute to the success and achievements of the Railway. The running operation demands a great deal from our volunteers. Running a programme of events through the year that makes a very significant contribution to the Railway's finances. Our day to day running and events programme could not be held without the efforts of our volunteers. Also we are indebted to the many volunteers who continue to work tirelessly on the maintenance of the Railway and its property and assets.

No attempt has been made to quantify the financial value of the work of the volunteers, but the Trustees acknowledge that the Railway would not be financially viable without their continued contribution. The Trustees monitor the number of new volunteers joining the Railway team.

Safeguarding our customers, volunteers and staff

We treat the personal safety of our customers, volunteers and staff very seriously - especially those who may be young or vulnerable. As a result the Railway employs a co-ordinator to look after the interests of young people and carry out DBS (Disclosure and Barring Service) checks as required.

The employees of the Railway are employed by the Operating Company, the Keighley and Worth Valley Light Railway Ltd.

STRATEGIC REPORT

The following sections for achievements and performance and financial review form the strategic report of the charity.

ACHIEVEMENTS AND PERFORMANCE

Achievement of objectives

Financial
The Trustees are pleased that the Railway has achieved its objectives relating to sound financial management and investment into infrastructure and we continue to operate with a strong operational fleet.

The unrestricted cash reserves, investment funds and designated funds of the Railway increased in the year.

Visitors Numbers (attracting the public to visit the Railway)
Passenger numbers and income increased in the year. Visitor numbers exceeded 100,000 for the first time since before the Covid-19 pandemic. It is estimated that visitor numbers were up by circa 4% on 2019.

It has been particularly pleasing that our major events programme (specifically the Christmas Programme, enthusiasts Galas and the Beer and Music Festival) have attracted strong visitor levels to the Railway. To be able to attract high levels of visitors after the Covid-19 period has been a major achievement and reflects the success of the trading subsidiary's commercial plan.

Maintenance and Repairs (to sustain the Railways operating future)
The charity entered 2022 with a major maintenance backlog, following restricted activities in 2020 and 2021. 2022 saw an increase in the level of civil engineering, station, locomotive and rolling stock overhauls/ repair. For example, ongoing drainage problems at Ingrow station were addressed, new windows were fitted at Keighley station, several coaches have been repainted/refurbished and our Class 144 Pacer entered regular service after overhaul.

Fundraising Versus Operating Income
Since the year was based on the Railway's running operation, fares and events income replaced fundraising income. Our fundraising income fell by 80%, but this decline was more than made up from Operating Income ensuring that the aggregate income for the railway grew.

FINANCIAL REVIEW

The financial statements for 2022 are almost incomparable with the comparative period for the year ended 31 December 2021. 2022 was based on a "standard running year" and 2021 based on "partial running year" supplemented by strong fundraising to fill the financial gap.

The Railway enjoyed pleasing operating income across the year, with pleasing levels of visitors to the events programme. Our popular "Beer and Music" event in October was again well attended and our "Elf Explorer" Christmas offer was again a "sell out".

Despite the challenges, the funds of the Charity, net of restricted funds, has remained materiality consistent with the prior year £5,124,712 (2021: £4,997,469) and this is testimony to the focus on rebuilding our running operations and careful cost management during the year. Total income grew to £2.5m in 2022 from £2.2m in 2021, but costs (net of taxation) increased by £0.51m. Cash and investments increased from £1,264,198 to £1,469,407 at 31 December 2022 (with £738,689 invested as part of the Charities investment strategy, as referred to later).

All projects have been funded from existing cash reserves, on-going fund-raising initiatives and operating activities.

At the end of 2022 the Charity had restricted funds (£5,692) relating to previous fundraising for two locomotives (Ivatt 41241 and 4F 43924). There has been no movement in these funds.

Relationship with Suppliers
The Railway recognises that its suppliers (along with customers, volunteers, members and staff) are a key "stakeholder" in the Railway. As such the Railway's policy is to pay invoices for satisfactory work to the terms agreed between the Railway and the contractor. The Railway uses local suppliers where feasible.

Policy on reserves
The Charity's policy is to hold a minimum of £150,000 unrestricted and undesignated cash at bank as a reserve against the realisation of any of the risks set out in the Risk Management section and aims to hold a working capital reserve (net of current assets) of at least £50,000 at 31 December each year, although the working capital requirement is higher than this during our intensive summer running period of operation. Cash at bank stood at £730,718 (2021: £1,264,198) plus investments of £738,689 (2021: £nil) at the end of the year and there were no breaches of the reserve policy at any time during the year. Cash reserves and investments (unrestricted reserves and designated funds) were kept above £1m across the year. Net current assets at the year-end remain well within historic norms for the Railway, totalling £635,717 (2021: £1,192,537).

Principal Funding sources
In 2022, the principal funding sources of the railway are income from our ongoing operations and, to a lesser extent, a combination of membership subscriptions, grants and donations. The balance between these income streams changed during 2022 returning to operational income whereas in 2021 there was a significantly higher level of grants/donations.

PLANS FOR FUTURE PERIODS

The Trustees are committed to a number of initiatives over the medium term. These include:

- Protection and development of income from Railway operations through enhancement of visitor experience.
- Increase of the contribution to surplus from events, drinks, catering and retail operations through expanding the events and catering offering, as well as creating new channels for retail operations (online web-shop and ticketing).
- The Trustees also recognise their duty to continue the programme of maintenance and capital expenditure to ensure the longevity of Railway assets under their care and expect to increase current levels of expenditure into the future. Financially, the Trustees expect to manage costs prudently to realise a modest operating surplus year-on-year (after maintenance costs). Any surplus is expected to be re-invested in capital expenditure programmes in future years. The Trustees also acknowledge that it will be necessary to be proactive in seeking funding from grant-making bodies so that development initiatives can be fully realised.

Investment Strategy

As at the time of writing this report in June 2023, the Charity holds a cash and investment balance of over £1m (covering unrestricted reserves and funds designated to future projects), with its subsidiary the Keighley and Worth Valley Light Railway Ltd holding a further balance that covers at least eight weeks trading.

The UK is currently suffering the highest rate of inflation in a generation. As referred to earlier, this is particularly an issue with energy (coal and diesel), steel and building materials. This potential erosion of the purchasing power has forced the Charity to proactively manage this problem. Consequently, the Railway has decided to invest cash with an investment bank that has a successful track record working with charities. The aim is to make a return on our money, rather than allowing the real value of our balance to decline in an interest free bank account.

The Charity is wary of losses, and has no appetite for high levels of risk, but the impact and real cost of inflation is a certainty. The Railway invests in a portfolio which is cautious and offers a low to moderate risk. This means that the Charity invests the majority of its funds split fairly evenly between cash/fixed interest accounts, equities (from a variety of sectors and geographies) and alternative investment vehicles (where there is a lower level of volatility) such as real estate income funds, infrastructure funds and investment funds.

The investment bank selects the Funds on the Charity's behalf. The majority of the investments are in UK funds/accounts. As stated above, the brief from the Railway is for a cautious return, rather than driven directly by social, environmental or ethical considerations.

It is a requirement of the Charity that the investment funds can be drawn down very quickly, rather than being locked away for years. This allows these balances to be drawn upon for major capital spend projects. The balance as of 31st December 2022 was £738,689.

The Finance Director closely follows the performance of these investments and he keeps the Trustees up to date with the results.

FUNDS HELD AS CUSTODIAN TRUSTEE

Neither the Charity nor its Trustees are acting as custodian trustees for funds held on behalf of others.

TRUSTEES' RESPONSIBILITIES STATEMENT

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

Company law requires the charity trustees to prepare Consolidated financial statements for each year which give a true and fair view of the state of affairs of the group and charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these Consolidated financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group and charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the Consolidated financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and charitable company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the group and charitable company's auditor is aware of that information.

The trustees' annual report and the strategic report were approved on 22 July 2023 and signed on behalf of the board of trustees by:

J HINCHCLIFFE
Trustee

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

YEAR ENDED 31 DECEMBER 2022

OPINION

We have audited the Consolidated financial statements of Keighley and Worth Valley Railway Preservation Society Ltd (the 'charitable company) and its subsidiary (the 'group') for the year ended 31 December 2022 which comprise the consolidated statement of financial activities (including income and expenditure account), consolidated statement of financial position, charity statement of financial position, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the Consolidated financial statements:

- give a true and fair view of the state of the group and charitable company'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;
- 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's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the Consolidated 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 Consolidated financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the Consolidated 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 charity's ability to continue as a going concern for a period of at least twelve months from when the Consolidated financial statements are 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 other information comprises the information included in the annual report, other than the Consolidated financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the Consolidated financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated 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 Consolidated 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.

OPINIONS ON OTHER MATTERS 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 trustees' report for the financial year for which the Consolidated financial statements are prepared is consistent with the Consolidated financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Consolidated 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 trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the Consolidated 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 Consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the Consolidated financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the charity's members, 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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sally Shacklock BA FCA (Senior Statutory Auditor)

For and on behalf of
Spenser Wilson Ltd
Chartered Accountants & statutory auditor
Equitable House
55 Pellon Lane
Halifax
West Yorkshire
HX1 5SP

27 September 2023

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 DECEMBER 2022

	Note	2022 Unrestricted funds £	2022 Restricted funds £	2022 **Total funds** £	2021 Total funds £
Income and endowments					
Donations and legacies	**5**	223,976	–	**223,976**	802,881
Charitable activities	**6**	1,594,551	–	**1,594,551**	961,074
Other trading activities	**7**	656,678	–	**656,678**	468,861
Investment income	**8**	13,191	–	**13,191**	4,630
Other income	**9**	5,702	–	**5,702**	–
Total income		2,494,098	–	**2,494,098**	2,237,446
Expenditure					
Expenditure on raising funds:					
Costs of other trading activities	**10**	351,868	–	**351,868**	263,506
Expenditure on charitable activities	**11,12**	2,012,195	–	**2,012,195**	1,623,798
Taxation	**14**	(5,346)	–	**(5,346)**	(19,873)
Total expenditure		2,358,717	–	**2,358,717**	1,867,431
Net losses on investments	**15**	(8,138)	–	**(8,138)**	–
Net income and net movement in funds		127,243	–	**127,243**	370,015
Reconciliation of funds					
Total funds brought forward		4,997,469	5,692	**5,003,161**	4,633,146
Total funds carried forward		5,124,712	5,692	**5,130,404**	5,003,161

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 20 to 44 form part of these Consolidated financial statements.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2022

	Note	2022 £	2022 £	2021 £	2021 £
FIXED ASSETS					
Tangible fixed assets	22		**4,127,823**		4,201,838
Investments	23		**738,689**		–
			4,866,512		4,201,838
CURRENT ASSETS					
Stocks	25	**105,428**		48,123	
Debtors	26	**145,391**		73,465	
Cash at bank and in hand		**730,718**		1,264,198	
		981,537		1,385,786	
CREDITORS: amounts falling due within one year	27	**345,820**		193,249	
NET CURRENT ASSETS			**635,717**		1,192,537
TOTAL ASSETS LESS CURRENT LIABILITIES			**5,502,229**		5,394,375
CREDITORS: amounts falling due after more than one year	28		**169,692**		181,710
PROVISIONS	31		**202,133**		209,504
NET ASSETS			**5,130,404**		5,003,161
FUNDS OF THE CHARITY					
Restricted funds			**5,692**		5,692
Unrestricted funds			**5,124,712**		4,997,469
Total charity funds	33		**5,130,404**		5,003,161

These Consolidated financial statements were approved by the board of trustees and authorised for issue on 22 July 2023, and are signed on behalf of the board by:

DR M J STROH
Chairman

The notes on pages 20 to 44 form part of these Consolidated financial statements.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

CHARITABLE COMPANY STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2022

	Note	2022		2021	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	22		2,162,286		2,189,290
Investments	23, 24		2,595,872		1,857,183
			4,758,158		4,046,473
CURRENT ASSETS					
Debtors	26	780,595		700,242	
Cash at bank and in hand		95,486		780,773	
		876,081		1,481,015	
CREDITORS: amounts falling due within one year	27	36,132		41,629	
NET CURRENT ASSETS			839,949		1,439,386
TOTAL ASSETS LESS CURRENT LIABILITIES			5,598,107		5,485,859
NET ASSETS			5,598,107		5,485,859
FUNDS OF THE CHARITY					
Restricted funds			5,692		5,692
Unrestricted funds			5,592,415		5,480,167
Total charity funds	33		5,598,107		5,485,859

These financial statements were approved by the board of trustees and authorised for issue on 22 July 2023, and are signed on behalf of the board by:



DR M J STROH
Chairman

The notes on pages 20 to 44 form part of these Consolidated financial statements.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**127,243**	370,015
Adjustments for:		
Depreciation of tangible fixed assets	**232,406**	215,060
Impairment of tangible fixed assets	**–**	121,462
Impairment of intangible assets	**–**	36,667
Net losses on investments	**8,138**	–
Dividends, interest and rents from investments	**(5,546)**	–
Other interest receivable and similar income	**(7,645)**	(4,630)
Gains on disposal of tangible fixed assets	**(5,702)**	–
Taxation	**(5,346)**	(19,873)
Accrued expenses	**62,026**	6,267
Changes in:		
Stocks	**(57,305)**	25,612
Trade and other debtors	**(71,926)**	50,166
Trade and other creditors	**78,527**	44,658
Cash generated from operations	**354,870**	845,404
Interest received	**7,645**	4,630
Tax paid	**(2,025)**	–
Net cash from operating activities	**360,490**	850,034
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends, interest and rents from investments	**5,546**	–
Purchase of tangible assets	**(165,189)**	(190,117)
Proceeds from sale of tangible assets	**12,500**	–
Purchases of other investments	**(767,861)**	–
Proceeds from sale of other investments	**21,034**	–
Net cash used in investing activities	**(893,970)**	(190,117)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	**–**	(50,000)
Net cash used in financing activities	**–**	(50,000)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(533,480)**	609,917
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**1,264,198**	654,281
CASH AND CASH EQUIVALENTS AT END OF YEAR	**730,718**	1,264,198

The notes on pages 20 to 44 form part of these Consolidated financial statements.

1. GENERAL INFORMATION

The charitable company is a public benefit entity and a private company limited by shares, registered in England and Wales. The address of the registered office is The Railway Station, Haworth, Keighley, West Yorkshire, BD22 8NJ.

2. STATEMENT OF COMPLIANCE

These Consolidated financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparation

The Consolidated financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through income or expenditure.

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

Going concern

From a review of management information, the directors have a reasonable expectation that the company has sufficient resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing it financial statements.

Consolidation

The financial statements consolidate the financial statements of the charitable company and its subsidiary undertaking.

The parent charitable company has applied the exemption contained in section 408 of the Companies Act 2006 and has not included its individual statement of financial activities (including income and expenditure account).

3. ACCOUNTING POLICIES *(continued)*

Judgements and key sources of estimation uncertainty

In the application of the charitable company's accounting policies, the directors 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.

Critical judgements
The following judgements (apart from those involving estimates) have had the most significant effect on the amounts recognised in the financial statements.

Depreciation
The charitable company exercises judgement to determine useful lives and residual values of property, plant and equipment. The assets are depreciation to their estimated residual values over their estimated useful lives.

Income tax

The charitable company is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charitable company's purposes.

Designated funds are unrestricted funds earmarked by the trustees for a particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal.

3. ACCOUNTING POLICIES *(continued)*

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charitable company, it is probable that the economic benefits associated with the transaction will flow to the charitable company and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

3. ACCOUNTING POLICIES *(continued)*

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the charity's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed five years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	fully amortised

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible fixed assets

Individual fixed assets are capitalised at cost and depreciated on a straight line basis over their estimated useful economic lives taking account of any residual values, as follows :

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Depreciation rates (all calculated on a straight line basis):

Freehold land	Nil
Freehold buildings	2% per annum
Leasehold land and buildings	over the life of the lease
Property improvements	33% per annum
Locomotive restorations	10% per annum (see below)
Plant, machinery and equipment	10% per annum
Fixtures and fittings	10% per annum
Office equipment and furniture:	20% per annum
Computer hardware and purchased software:	33% per annum
Catering equipment	33% per annum

3. ACCOUNTING POLICIES *(continued)*

Depreciation *(continued)*

The Railway maintains its operating locomotives and other rolling stock items in full working order, and all routine maintenance costs are charged to the Statement of Financial Activities when incurred. Additionally, some items are held as a non-operating strategic reserve at their residual asset values. Locomotives and other rolling stock items are therefore considered to have indeterminate lives and the Directors do not consider it appropriate to charge depreciation except as set out below.

When a major renovation or restoration of a locomotive takes place, the relevant costs incurred are capitalised as fixed assets, and depreciated on a straight line basis from the point at which the locomotive re-enters service over its expected useful economic life (usually the ten-year life of a steam locomotive boiler ticket) down to the residual non-running value of the locomotive. When a major renovation or restoration takes place on a locomotive that remains the property of an independent owners' group and a long-term hire agreement is in place between the Charitable company operating subsidiary and that owners' group, the costs incurred by the operating subsidiary are also capitalised as fixed assets and depreciated on a straight line basis over the expected useful economic life of that locomotive to the Charitable company.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Stocks

Stocks are measured at the lower of cost and net realisable value.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

3. ACCOUNTING POLICIES *(continued)*

Grants

Grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Grants are recognised using the accrual model.

Under the accrual model, grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants receivable relating to Covid-19 are accounted for under the accrual method and recognised immediately as income in the Statement of Financial Activities.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Operating leases

Rentals payable under operating leases are charged to the profit and loss on a straight-line basis over the lease term. The aggregate benefit of lease incentives are recognised as a reduction to expense recognised over the lease term, on a straight-line basis.

Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

3. ACCOUNTING POLICIES *(continued)*

Provisions *(continued)*

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in income or expenditure unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in the statement of financial activities in the period it arises, and is allocated to the appropriate expenditure heading.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss. Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. LIMITED BY GUARANTEE

The charitable company is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

5. DONATIONS AND LEGACIES

	Unrestricted Funds £	**Total Funds 2022 £**	Unrestricted Funds £	Total Funds 2021 £
DONATIONS				
Bequests and donations	105,308	**105,308**	190,603	190,603
GIFTS				
Membership subscriptions	58,496	**58,496**	54,335	54,335
GRANTS				
Grants receivable	60,172	**60,172**	557,943	557,943
	223,976	**223,976**	802,881	802,881

6. CHARITABLE ACTIVITIES

	Unrestricted Funds £	**Total Funds 2022 £**	Unrestricted Funds £	Total Funds 2021 £
Fares	832,160	**832,160**	498,278	498,278
Loco Hire	5,900	**5,900**	–	–
Special events income	749,891	**749,891**	462,796	462,796
Private Hire	6,600	**6,600**	–	–
	1,594,551	**1,594,551**	961,074	961,074

7. OTHER TRADING ACTIVITIES

	Unrestricted Funds £	**Total Funds 2022 £**	Unrestricted Funds £	Total Funds 2021 £
Catering income	289,819	**289,819**	166,602	166,602
Shop income	163,546	**163,546**	121,129	121,129
Parking	24,111	**24,111**	–	–
Filming fees	168,350	**168,350**	151,408	151,408
Sundries	7,404	**7,404**	7,163	7,163
Scrap	3,448	**3,448**	22,559	22,559
	656,678	**656,678**	468,861	468,861

8. INVESTMENT INCOME

	Unrestricted Funds	**Total Funds 2022**	Unrestricted Funds	Total Funds 2021
	£	**£**	£	£
Income from listed investments	2,161	**2,161**	–	–
Income from cash investments	3,385	**3,385**	–	–
Bank interest receivable	4,836	**4,836**	2,297	2,297
Rent receivable	2,809	**2,809**	2,333	2,333
	13,191	**13,191**	4,630	4,630

9. OTHER INCOME

	Unrestricted Funds	**Total Funds 2022**	Unrestricted Funds	Total Funds 2021
	£	**£**	£	£
Gain on disposal of tangible fixed assets held for group's own use	5,702	**5,702**	–	–

10. COSTS OF OTHER TRADING ACTIVITIES

	Unrestricted Funds	**Total Funds 2022**	Unrestricted Funds	Total Funds 2021
	£	**£**	£	£
Shop	104,909	**104,909**	77,601	77,601
Catering	246,959	**246,959**	185,905	185,905
	351,868	**351,868**	263,506	263,506

11. EXPENDITURE ON CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds	**Total Funds 2022**	Unrestricted Funds	Total Funds 2021
	£	**£**	£	£
Train services	1,135,891	**1,135,891**	694,873	694,873
Support costs	876,304	**876,304**	928,925	928,925
	2,012,195	**2,012,195**	1,623,798	1,623,798

12. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly	Support costs	**Total funds 2022**	Total fund 2021
	£	£	**£**	£
Train services	1,135,891	628,157	**1,764,048**	1,305,076
Shop	–	37,038	**37,038**	22,520
Catering	–	58,202	**58,202**	31,529
Fundraising activities	–	58,550	**58,550**	135,963
Other activities	–	61,936	**61,936**	114,571
Governance costs	–	32,421	**32,421**	14,139
	1,135,891	876,304	**2,012,195**	1,623,798

The support costs of £876,304 (2021 - £928,925) are apportioned in this note across the charitable and other trading activities in the group as set out above and in note 13.

13. ANALYSIS OF SUPPORT COSTS

	Train services	Shop	Catering	Fund raising activities	Other activities	**Total 2022**	Total 2021
	£	£	£	£	£	**£**	£
Staff costs	145,694	16,188	25,439	25,439	18,501	**231,261**	237,055
Premises	65,945	7,327	11,514	7,397	12,491	**104,674**	83,537
Communications and IT	20,530	2,281	3,585	–	6,192	**32,588**	30,472
General office	25,975	–	–	–	–	**25,975**	19,145
Governance costs	–	–	–	–	32,421	**32,421**	14,139
Insurance	34,743	3,860	6,066	–	10,478	**55,147**	46,767
Publicity	36,435	–	–	–	–	**36,435**	28,695
Bank charges	33,869	3,763	5,914	5,914	4,301	**53,761**	36,972
Sundry expenses	32,712	3,618	5,685	–	9,820	**51,835**	35,604
Depreciation	232,406	–	–	–	–	**232,406**	215,062
Push and Pull magazine	–	–	–	19,801	–	**19,801**	23,347
Disposal of fixed assets	–	–	–	–	–	**–**	121,463
Support costs	–	–	–	–	–	**–**	36,667
	628,309	37,037	58,203	58,551	94,204	**876,304**	928,925

14. TAXATION

Major components of tax income

	2022	2021
	£	£
Current tax:		
UK current tax expense/(income)	**2,025**	(2,025)
Deferred tax:		
Origination and reversal of timing differences	**(7,371)**	(17,848)
Taxation	**(5,346)**	(19,873)

15. NET LOSSES ON INVESTMENTS

	Unrestricted Funds	**Total Funds 2022**	Unrestricted Funds	Total Funds 2021
	£	**£**	£	£
Unrealised (losses) on listed investments	(6,419)	**(6,419)**	–	–
Realised /(losses) on listed investments	(1,719)	**(1,719)**	–	–
	(8,138)	**(8,138)**	–	–

16. NET INCOME

Net income is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation of tangible fixed assets	**232,406**	215,060
Gains on disposal of tangible fixed assets	**(5,702)**	–

17. AUDITORS REMUNERATION

	2022	2021
	£	£
Fees payable for the audit of the financial statements	**5,303**	4,350
Fees payable to the charitable company's auditor and its associates for other services:		
Audit of the financial statements of the subsidiary	**6,333**	5,448

18. STAFF COSTS

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2022	2021
	£	£
Wages and salaries	**329,777**	360,479
Social security costs	**25,774**	26,529
Employer contributions to pension plans	**5,274**	7,278
	360,825	394,286

The average head count of employees during the year was 40 (2021: 40). The average number of full-time equivalent employees during the year is analysed as follows:

	2022	2021
	No.	No.
Administration	**6**	6
Loco department	**2**	2
Shop and catering	**8**	5
	16	13

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

19. TRUSTEE REMUNERATION AND EXPENSES

A director of The Keighley and Worth Valley Light Railway Limited received remuneration of £5,142 (2021 - £3,971), in respect of services provided to that company.

No trustees received remuneration or other benefits from employment with the charitable company or a related entity during the current or previous year.

No expenses were paid to the trustees during this or the previous year.

20. FINANCIAL PERFORMANCE OF THE CHARITY

	Unrestricted funds £	Restricted funds	Total funds 2022 £
Donations and grants received	105,278	–	105,278
Membership and other income	75,927	–	75,927
	181,205	–	181,205
Costs of generating voluntary income	19,801	-	19,801
Governance costs	13,912	–	13,912
Support costs	27,106	–	27,106
Net losses on investments	8,138	–	8,138
	68,957	-	68,957
Net movement in funds	112,248	-	112,248
Total funds brought forward	5,480,167	5,692	5,485,859
Total funds carried forward	5,592,415	5,679	5,598,107

	Unrestricted funds £	Restricted funds	Total funds 2021 £
Donations and grants received	670,281	–	670,281
Membership and other income	5,779	–	5,779
	676,060	–	676,06
Costs of generating voluntary income	23,347	-	23,347
Governance costs	4,350	–	4,350
Support costs	27,027	–	27,027
Net losses on investments	-	–	-
	54,724	-	54,724
Net movement in funds	621,336	-	621,336
Total funds brought forward	4,858,831	5,692	4,864,523
Total funds carried forward	5,480,167	5,679	5,585,859

21. INTANGIBLE ASSETS

	Goodwill £
Cost	
At 1 January 2022 and 31 December 2022	**40,000**
Amortisation	
At 1 January 2022 and 31 December 2022	**40,000**
Carrying amount	
At 31 December 2022	**–**
At 31 December 2021	–

22. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold property £	Fixtures & fittings £	Locomotives & rolling stock £	Total £
Cost					
At 1 January 2022	1,954,807	42,509	538,575	2,950,439	**5,486,330**
Additions	50,312	–	29,554	85,323	**165,189**
Disposals	–	–	–	(15,800)	**(15,800)**
At 31 December 2022	2,005,119	42,509	568,129	3,019,962	**5,635,719**
Depreciation					
At 1 January 2022	97,424	24,564	425,920	736,584	**1,284,492**
Charge for the year	65,269	852	28,810	137,475	**232,406**
Disposals	–	–	–	(9,002)	**(9,002)**
At 31 December 2022	162,693	25,416	454,730	865,057	**1,507,896**
Carrying amount					
At 31 December 2022	1,842,426	17,093	113,399	2,154,905	**4,127,823**
At 31 December 2021	1,857,383	17,945	112,655	2,213,855	4,201,838

Charitable company

	Freehold property £	Long leasehold property £	Plant and machinery £	Locomotives and rolling stock £	**Total £**
Cost at 1 January 2022 and 31 December 2022	847,642	1,412	47,413	1,393,191	**2,289,658**
Depreciation at 1 January 2022	41,584	72	10,765	47,947	**100,368**
Charge for the year	14,352	36	4,741	7,875	**27,004**
31 December 2022	55,936	108	15,506	55,822	**127,372**
Carrying amount At 31 December 2022	791,706	1,304	31,907	1,334,369	**2,162,286**
At 31 December 2021	806,058	1,340	36,648	1,345,244	**2,189,290**

23. INVESTMENTS

	Shares in group undertakings	Cash or cash equivalents £	Listed investments £	**Total £**
Cost or valuation				
At 1 January 2022	1,857,183	–	–	**1,857,183**
Additions	–	54,360	713,501	**767,861**
Disposals	–	–	(21,034)	**(21,034)**
Unrealised losses	–	–	(6,419)	**(6,419)**
Realised losses	–	–	(1,719)	**(1,719)**
At 31 December 2022	1,857,183	54,360	684,329	**2,595,872**
Carrying amount At 31 December 2022	1,857,183	54,360	684,329	**2,595,872**
At 31 December 2021	1,857,183	-	-	**1,857,183**

23. INVESTMENTS *(continued)*

Charitable company

	Cash or cash equivalents £	Listed investments £	**Total £**
Cost or valuation			
At 1 January 2022	–	–	–
Additions	54,360	713,501	**767,861**
Disposals	–	(21,034)	**(21,034)**
Unrealised losses	–	(6,419)	**(6,419)**
Realised losses	–	(1,719)	**(1,719)**
At 31 December 2022	54,360	684,329	**738,689**
Carrying amount			
At 31 December 2022	54,360	684,329	**738,689**
At 31 December 2021	–	–	–

UK quoted securities are valued at the mid-market price quoted by the London Stock Exchange.

All investments are held in the UK and are held primarily to provide an investment return for the charity.

The following investments were worth more than 5% of the portfolio value at 31 December 2022.

	Units £	%Total market value £	**Market value 2022 £**
UK (Govt of) 0.125% Gilt 31/01/24	**45,000**	5.87%	**43,331**
UK (Govt of) 1% Gilt 22/04/24	**45,000**	5.90%	**43,596**
Close Sustainable Select Fixed income	**40,000**	5.01%	**36,996**
UK (Govt of) 0.75% gilt 22/07/23	**45,000**	5.36%	**39,590**

24. INVESTMENT ENTITIES

Subsidiaries and other investments

There are no investments outside the UK.

The charitable company's investments at the balance sheet date and included in these consolidated accounts comprise:

Keighley and Worth Valley Light Railway Ltd

Company number	008710851
Country of incorporation	England and Wales
Registered office	The Railway Station Station Road Haworth BD22 8NJ
Nature of business	Operation of the Keighley and Worth Valley Railway
Class of shares	Ordinary

There is a minority interest in the subsidiary, Keighley and Worth Valley Light Railway Ltd, consisting of 164 ordinary shares of £10 each. These shares do not entitle the holder to a dividend or voting rights. On winding up of the company they would be entitled to a maximum of the nominal value. The Charitable Company holds 100% of all shares entitled to voting rights and dividends.

	2022 £	2021 £
Summary of trading results		
Turnover	**2,239,373**	**1,424,678**
Total expenditure	**(2,297,541)**	**(1,794,490)**
Other operating income	**83,092**	**116,489**
Other income	**4,836**	**2,400**
Taxation	**5,346**	**19,873**
Loss for the year	**35,106**	**(231,050)**
Assets	**2,606,578**	**2,373,213**
Liabilities	**(1,580,000)**	**(1,381,741)**
Summary of assets and liabilities	**1,026,578**	**991,472**

25. STOCKS

	2022	2021
	£	£
Retail and coal stocks	**105,428**	48,123

26. DEBTORS

	2022	2021
	£	£
Trade debtors	**32,817**	3,377
Prepayments and accrued income	**73,655**	42,218
Corporation tax repayable	**–**	2,025
Other debtors	**38,919**	25,845
	145,391	73,465

Charitable company

	2022	2021
	£	£
Trade debtors	**706**	10
Amounts owed by subsidiary undertaking	**779,698**	700,008
VAT	**191**	224
	780,595	700,242

27. CREDITORS: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	**138,538**	71,641
Accruals and deferred income	**164,627**	87,580
Social security and other taxes	**10,476**	7,271
Sundry creditors	**32,179**	26,757
	345,820	193,249

Charitable company

	2022	2021
	£	£
Trade creditors	**5,130**	4,607
Accrual and deferred income	**31,002**	37,022
	36,132	41,629

28. CREDITORS: amounts falling due after more than one year

	2022	2021
	£	£
Accruals and deferred income	**169,692**	181,710

29. DEFERRED INCOME

	2022	2021
	£	£
At 1 January 2022	**236,831**	161,150
Amount released to income	**(236,831)**	(161,150)
Amount deferred in year	**239,834**	236,831
At 31 December 2022	**239,834**	236,831

At the balance sheet date the Keighley & Worth Valley Railway Preservation Society Limited and its subsidiary held funds received in advance which all relate to monies in advance for the 2023 financial year as follows:

	2022	2021
	£	£
Subscriptions paid in advance	**26,502**	22,772
Grant income received in advance	**213,332**	214,059
	239,834	236,831

30. DEFERRED TAX

The deferred tax included in the statement of financial position is as follows:

	2022	2021
	£	£
Included in provisions (note 31)	**202,133**	209,504

The deferred tax account consists of the tax effect of timing differences in respect of:

	2022	2021
	£	£
Accelerated capital allowances	**202,133**	209,504

31. PROVISIONS

	Deferred tax (note 30)
	£
At 1 January 2022	**209,504**
Charge against provision	**(7,371)**
At 31 December 2022	**202,133**

32. PENSIONS AND OTHER POST RETIREMENT BENEFITS

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £5,274 (2021: £7,278).

33. ANALYSIS OF CHARITABLE FUNDS

Unrestricted funds

	1 Jan 2022	Income	Expenditure	Transfers	Gains and losses	**31 Dec 2022**
	£	£	£	£	£	**£**
General funds	4,997,469	2,494,098	(2,358,717)	(1,200,000)	(8,138)	**3,924,712**
Capital projects	–	–	–	1,200,000	–	**1,200,000**
	4,997,469	2,494,098	(2,358,717)	–	(8,138)	**5,124,712**

	1 Jan 2021	Income	Expenditure	Transfers	Gains and losses	31 Dec 2021
	£	£	£	£	£	£
General funds	4,627,454	2,237,446	(1,867,431)	–	–	4,997,469
Capital projects	–	–	–	–	–	–
	4,627,454	2,237,446	(1,867,431)	–	–	4,997,469

Restricted funds

	1 Jan 2022	Income	Expenditure	Transfers	Gains and losses	**31 Dec 2022**
	£	£	£	£	£	**£**
41241 Ivatt	5,253	–	–	–	–	**5,253**
Engine 43924	439	–	–	–	–	**439**
	5,692	–	–	–	–	**5,692**

	1 Jan 2021	Income	Expenditure	Transfers	Gains and losses	31 Dec 2021
	£	£	£	£	£	£
41241 Ivatt	5,253	–	–	–	–	5,253
Engine 43924	439	–	–	–	–	439
	5,692	–	–	–	–	5,692

Restricted funds relate to appeals for restoration work on specific locomotives as details above.

ANALYSIS OF CHARITABLE FUNDS *(continued)*

Charitable company

Unrestricted funds

	1 Jan 2022	Income	Expenditure	Transfers	Gains and losses	**31 Dec 2022**
	£	£	£	£	£	**£**
General funds	5,480,167	181,205	(60,819)	(1,200,000)	(8,138)	**4,392,415**
Capital projects	–	–	–	1,200,000	–	**1,200,000**
	5,480,167	181,205	(60,819)	–	(8,138)	**5,592,415**

	1 Jan 2021	Income	Expenditure	Transfers	Gains and losses	31 Dec 2021
	£	£	£	£	£	£
General funds	4,858,831	676,060	(54,724)	–	–	5,480,167
Capital projects	–	–	–	–	–	–
	4,858,831	676,060	(54,724)	–	–	5,480,167

Restricted funds

	1 Jan 2022	Income	Expenditure	Transfers	Gains and losses	**31 Dec 2022**
	£	£	£	£	£	**£**
41241 Ivatt	5,253	–	–	–	–	**5,253**
Engine 43924	439	–	–	–	–	**439**
	5,692	–	–	–	–	**5,692**

	1 Jan 2021	Income	Expenditure	Transfers	Gains and losses	31 Dec 2021
	£	£	£	£	£	£
41241 Ivatt	5,253	–	–	–	–	5,253
Engine 43924	439	–	–	–	–	439
	5,692	–	–	–	–	5,692

Restricted funds relate to appeals for restoration work on specific locomotives as details above.

34. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2022 £**
Tangible fixed assets	4,127,823	–	**4,127,823**
Investments	738,689	–	**738,689**
Current assets	975,845	5,692	**981,537**
Creditors less than 1 year	(345,820)	–	**(345,820)**
Creditors greater than 1 year	(169,692)	–	**(169,692)**
Provisions	(202,133)	–	**(202,133)**
Net assets	5,124,712	5,692	**5,130,404**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Intangible assets	–	–	–
Tangible fixed assets	4,201,838	–	4,201,838
Investments	–	–	–
Current assets	1,380,094	5,692	1,385,786
Creditors less than 1 year	(193,249)	–	(193,249)
Creditors greater than 1 year	(181,710)	–	(181,710)
Provisions	(209,504)	–	(209,504)
Net assets	4,997,469	5,692	5,003,161

35. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2022 £	Cash flows £	**At 31 Dec 2022 £**
Cash at bank and in hand	1,264,198	(533,480)	**730,718**
	1,264,198	(533,480)	**730,718**

36. OPERATING LEASE COMMITMENTS

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Not later than 1 year	**19,045**	19,045
Later than 1 year and not later than 5 years	**50,808**	69,853
Later than 5 years	**64,500**	80,625
	134,353	169,523

Total expenditure incurred under operating lease contracts during the year was £21,259 (2021: £21,997).

37. RELATED PARTIES

The Friends of the Keighley and Worth Valley Railway - The trustees of The Friends of the Keighley and Worth Valley Railway are appointed by the trustees of The Keighley and Worth Valley Railway Preservation Society Limited.

During the year the year The Friends of the Keighley and Worth Valley Railway charged the company £5,762 (2021 - £nil) for mileage costs incurred. A balance of £5,762 (2021 - £nil) was due to The Friends of the Keighley and Worth Valley Railway at the year end.

During the year, the Keighley and Worth Valley Light Railway Limited received grants amounting to £20,913 (2021 - £11,178) from The Friends of the Keighley and Worth Valley Railway of which £8,000 (2021 - £11,178) has been recognised in the profit and loss account with an additional £16,191 (2021 - £14,900) released from deferred income. The remaining grants of £11,622 (2021 - £nil) have been deferred over the life of the assets which the grants relate to. Total grants of £122,230 (2021 - £125,508) relating to fixed assets are included in deferred income.

KEIGHLEY & WORTH VALLEY RAILWAY PRESERVATION SOCIETY LIMITED

England & Wales - Charity number 1136853

Accounts

WORTH VALLEY

THE KEIGHLEY AND WORTH VALLEY RAILWAY

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

Company Limited by Guarantee

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2021

Company registration number: 07135945
Charity registration number: 1136853

Spenser Wilson
Chartered Accountants & Business Advisers

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

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KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)

YEAR ENDED 31 DECEMBER 2021

The trustees, who are also the directors for the purposes of company law, present their report and the Consolidated financial statements of the charity for the year ended 31 December 2021.

REFERENCE AND ADMINISTRATIVE DETAILS

REGISTERED CHARITY NAME	Keighley and Worth Valley Railway Preservation Society Ltd
CHARITY REGISTRATION NUMBER	1136853
COMPANY REGISTRATION NUMBER	07135945
PRINCIPAL OFFICE AND REGISTERED OFFICE	The Railway Station Station Road Haworth BD22 8NJ
THE TRUSTEES	P Balmforth W N Bennett W H Black A Brown J Duijsters R M R Graham R Higgins (Resigned 7 August 2021) J Hinchcliffe (Appointed 10 March 2021) J Hoyle R Hustwick P Lawton (Resigned 7 August 2021) P Oliver K Pilsworth (Resigned 17 July 2022) T Ruddock C G Smyth Dr M J Stroh (Chairman) M Tarran
COMPANY SECRETARY	R Batty
AUDITOR	Spenser Wilson Ltd Chartered Accountants & Statutory Auditor Equitable House 55 Pellon Lane Halifax West Yorkshire HX1 5SP
BANKERS	Barclays Bank Plc 77 North Street Keighley BD21 3SA

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document
The Keighley & Worth Valley Railway Preservation Society Limited is a company limited by guarantee governed by its Memorandum and Articles of Association dated 19 January 2010. It is registered as a charity with the Charity Commission (number 1136852).

Trustees
Trustees, who are also the Directors of the Charity, are elected for three years by Members at the Annual General Meeting. They are appointed on the basis of their personal skills/experience and their commitment to the charity.

Trustees must be a member of the Charity, over 18 years old and not disqualified from acting as a Trustee under the Charities Act 2011.

Members who wish to be proposed as a Trustee must give notice to the Charity at least 45 days before the Annual General Meeting. Members receive at least 14 days' notice of the Annual General Meeting and are entitled to vote in person or by proxy.

At any one time there should be a minimum of two Trustees, but no maximum. At the date of this report, there are 16 Trustees.

No person or body, other than Members at the Annual General Meeting, or Trustees at a meeting, have the power to remove Trustees from office.

Trustee training
Following their election, Trustees are given briefing notes for the conduct of Directors produced by the Heritage Railway Association and the Charity Commission's guidance for Trustees. The Chairman, Company Secretary and Finance Director provide further guidance as is necessary. All Trustees are familiar with the Railway as members and most have volunteered for many years.

Organisation
The Trustees manage the business of the Charity and each has responsibility for a specific part of the Charity's operations. There are also at least two Trustees representing members' interests.

The Charity has two related parties as follows:

- The Keighley and Worth Valley Light Railway Limited is a wholly owned subsidiary of the Charity, whose function is to operate the Railway and undertake commercial activities. It is a private limited company, incorporated in England and Wales, and wholly controlled by the Charity. Directors of the subsidiary are appointed by the Trustees of the Charity. Up to half of the total number of Directors of the subsidiary may also be Trustees of the Charity. The subsidiary also directly employs technical, professional and administrative support staff who, along with the directors, undertake the day-to-day running of the subsidiary. The Keighley and Worth Valley Light Railway Limited is included in these consolidated accounts.
- The Keighley and Worth Valley Railway Trust is also a charity established to support the work of the Railway. Whilst the Trustees act independently, they are appointed by the Charity (KWVRPS) and the Trust can only support projects that are ratified by the Board of the Charity (KWVRPS)

Risk management
The Trustees consider that the following are the most significant risks to the continued operation of the Railway:

- Safe operating: unsafe operations could result in an incident that prevents the Railway from running. To mitigate this risk, the Railway has a full Safety Management System in place and a clearly defined procedure for its review, amendment and approval.
- A catastrophic infrastructure event: such an event could compromise the ability to operate the Railway. To mitigate this risk, the Railway has in place an on-going programme of preventive maintenance procedures. It also maintains appropriate insurance to further protect it from such events.
- Loss of volunteer resource: volunteers form the core of the Railway's workforce and without their on-going support, the Railway would cease to be financially viable and unable to meet is charitable objects. Both the Charity and the operating subsidiary actively manage the Railway's wide base of volunteer skill and time to mitigate this risk.
- Attract the public to visit the Railway: The sustainability of the Railway is based on sustaining the interest of the public. Continuing interest is ultimately central to the Charity's continued income and relevance.

OBJECTIVES AND ACTIVITIES

Objects and aims
The Charity has four objects in its articles of association. In summary they are:

1. the preservation, operation, restoration, maintenance and protection of the Keighley and Worth Valley Railway (the railway),
2. the preservation of archives, records and artifacts relating to the railway,
3. the education of the public through the operation of the railway,
4. other charitable purposes for the advancement of education associated with the railway.

The aim of the railway is to achieve its objects in a manner that is financially sustainable.

Public benefit
The Charity has continued to meet its charitable objects in the operation and preservation of the Railway and continues to seek to contribute to the local community through its programme of events. The operation of the Railway provides a wider benefit by seeking to sustain traditional engineering skills; by providing a welcoming environment for volunteers to develop new skills and competencies; and by sharing knowledge between similar organisations.

The Trustees confirm that they have each complied with their duties under section 17 (5) of the Charities Act 2011 to have due regard to the guidance on public benefit published by the Charity Commission when carrying out their roles and responsibilities.

Environmental policy
The Railway has developed an Environmental policy and covers this topic regularly at board meetings with a project co-ordinator leading this activity. We monitor closely the amount of energy used by the Railway including gas, electricity, coal and diesel. The Railway's policy includes objectives to minimise unnecessary smoke, reuse materials where possible and minimise noise where feasible.

Objectives for the year

The Charity continued to have three primary objectives:

1. To maintain an underlying operational surplus to enable investment in essential capital and investment expenditure requirements to be met through:
   a) maintaining passenger income (from fares and events) at least at the previous year's level;
   b) retaining sufficient unrestricted and undesignated cash reserves whilst undertaking capital projects to maintain and enhance the Railway's assets and facilities;
   c) developing longer-term funding and project plans to enable the Charity to continue to meet the Railway's charitable objects.
2. Through the Charity's trading subsidiary, develop an appropriate commercial plan, with a particular focus on enhancing the Railway's events, catering, drinks and retail offering.
3. To develop long-term plans for the sustainability of the volunteer operation of the Railway.

Strategies for the year

1. Continue to manage costs carefully through a period of challenging economic conditions and to maintain income levels whilst not endangering the long-term future of the Railway.
2. Establishment of a longer-term programme of strategic initiatives designed to enhance the commercial activities and invest in capital projects and infrastructure (principally on the planned civil maintenance bridge replacement and groundworks projects and the maintenance of the locomotive and rolling stock fleet).
3. Implement promotions activities and events aimed at retaining the number of passengers to at least the prior year level and to implement plans to increase revenue per passenger (from drinks, catering and retail).

Challenges during the year

The year of 2021 started with the country returning to lockdown as a result of high levels of cases of the Covid-19 virus. This resulted in the Railway not being able to run public trains until April and hold no events until late summer. When services were resumed in April, this was carried out with pre-booked services only and the use of compartment stock, rather than standard "Open Tourist" type coaches. This inevitably reduced visitor numbers and income during the late spring/ early summer season. Trading picked up strongly when Covid restrictions were lifted in the summer.

In order to protect the financial position of the Railway, our maintenance programme was reduced versus the pre-Covid period, although some smaller developments did take place for example the redevelopment of the Keighley toilets, the replacement of Gates at Oakworth and repairs to the roof of the Water Tower at Keighley.

The Railway's café/ bar "The Old Parcels Office" at Keighley was closed for much of the year as result of the Covid lockdown, reduced passenger numbers at Keighley station (from Network Rail) and maintenance issues with the property.

Significant effort has been put into our fundraising activities in order to meet the gap left by the Railway's inability to operate.

We are very grateful to the members and others who donated significant sums to our appeals. We are especially grateful to the Department of Culture, Media and Sport (DCMS) which (via the National Heritage Lottery Fund) who gave the Railway a series of grants during 2021. The Government's Towns' Fund also provided grant funding for several projects, including the restoration of the toilets at Keighley Station; the purchase and restoration of a BSK vehicle that will provide further accessible accommodation for passengers as well as help provide further on-train catering; and the replacement of the crossing gates at Oakworth.

In the longer-term we, like other heritage railways, remain concerned for the continued supply of coal and the price of diesel. This issue has been further exacerbated by the Russia/ Ukraine war and inflation in world energy prices.

The high inflation rate of the price of commodities, such as concrete, building materials and steel, is also presenting a challenge for the future.

Significant activities during the year and volunteer involvement
Beyond the operation of the Railway (when we have been permitted to do so) and the management and execution of key events in Autumn (such as a our Christmas event, "The Elf Express"), the most significant activity has been the fundraising effort. It has been a huge volunteer effort involving the whole Railway to achieve such a great success, and our particular thanks go to the fundraising team that has taken a lead on the fundraising activities during these difficult times.

In October 2021 we were very pleased to welcome Lord Neil Mendoza (the Government Commissioner for Cultural Recovery and Renewal) to the Railway to discuss the value and importance of the support provided by the DCMS. We believe this visit has helped the DCMS better understand Heritage Railways as part of the nation's culture.

The Railway was used for the filming of a new feature film "The Railway Children Return". This has been a useful income stream for the Railway, but it is anticipated that the real benefit will be as a result of the publicity relating to the release of the film in July 2022. Over 50 years after the release of the original "The Railway Children", the Keighley and Worth Valley Railway remains strongly associated with the family favourite film.

The Trustees would like to thank all those volunteers who continue to contribute to the success and achievements of the Railway. At the times we were allowed to do so, the core Railway activity continued to be the operation of steam and heritage diesel services on all weekends during the year and on those weekdays coinciding with school holidays and other days as deemed commercially viable. The operation demands a great deal from our volunteers and our volunteers run a programme of events through the year that make a very significant contribution to the Railway's finances. Also we have many volunteers who continue to work tirelessly on the maintenance of the Railway and its property and assets.

No attempt has been made to quantify the financial value of the work of the volunteers, but the Trustees acknowledge that the Railway would not be financially viable without their continued contribution. The Trustees monitor the number of new volunteers joining the Railway team.

Safeguarding our customers, volunteers and staff

We treat the personal safety of out customers, volunteers and staff very seriously - especially those who may be young or vulnerable. As a result the Railway employs a co-ordinator to look after the interests of young people and carry out DBS (Disclosure and Barring Service) checks as required.

STRATEGIC REPORT

The following sections for achievements and performance and financial review form the strategic report of the charity.

ACHIEVEMENTS AND PERFORMANCE

Achievement of objectives
The Trustees are pleased that the Railway has achieved its objectives relating to sound financial management and investment into infrastructure and we continue to operate with a very strong operational fleet. The focus during the year shifted from the response to the impact of the global pandemic to a more normal operation of timetabled trains and events. We were unable to operate trains at all in the first quarter of the year and then for several months only on a restricted basis, before operating normally from late summer onwards. This is reflected in the attached financial statements.

Fundraising
As discussed above, the Charity's focus in the first half of the year has been on raising funds from targeted fund-raising campaigns, to complement the depleted income from fares and events. The fundraising team were able to raise such funds that meant the unrestricted reserves of the Railway were not drained.

FINANCIAL REVIEW

The financial statements for 2021 are almost incomparable with the comparative period for the year ended 31 December 2020 (and indeed year ended 31 December 2019) due to the impact of the pandemic on the Railway's operation.

The first half of the year saw very limited income from passenger/ event income, but high level of support from our fundraising activities and DCMS grants. Income in the second half of the year was strong as the Railway benefited from the "Staycation boom". Our popular "Beer and Music" event in October was well attended and our "Elf Express" Christmas offer was again a "sell out".

Despite the challenges, the funds of the Charity, net of restricted funds, has remained materiality consistent with the prior year £4,997,469: (2020: £4,627,454) and this is testimony to the focus on fund raising and cost management during the year. Total income fell from £2m to £1.6m in 2020 and rose to £2.2m in 2021, but costs (net of taxation) increased by £259,629 and cash increased from £654,281 to £1,264,198 at 31 December 2021. A £50,000 Covid-19 Bounce Back Loan was paid off in June 2021.

All projects have been funded from both existing cash reserves, on-going fund-raising initiatives and operating activities.

The Charity has restricted funds (£5,692) relating to previous fundraising for two locomotives (Ivatt 41241 and 4F 43924).

The employees of the Railway are employed by the Operating Company, the Keighley and Worth Valley Light Railway Ltd. Regrettably some roles were lost in 2021, which involved redundancy and/or ex-gratia payments being made.

Relationship with Suppliers
The Railway recognises that its suppliers (along with customers, volunteers, members and staff) are a key "stakeholder" in the Railway. As such the Railway's policy is to pay invoices for satisfactory work to the terms agreed between the Railway and the contractor. The Railway uses local suppliers where feasible.

Policy on reserves
The Charity's policy is to hold a minimum of £150,000 unrestricted and undesignated cash at bank as a reserve against the realisation of any of the risks set out in the Risk Management section and aims to hold a working capital reserve (net of current assets) of at least £50,000 at 31 December each year, although the working capital requirement is higher than this during our intensive summer running period of operation. Cash at bank stood at £1,264,198 (2020: £654,281) at the end of the year and there were no breaches of the reserve policy at any time during the year. Cash reserves (unrestricted reserves and designated funds) historically have normally been within the range of £400,000 to £750,000. Net current assets at the year-end remain well within historic norms for the Railway, totalling £1,192,537 (2020: £645,263).

Principal Funding sources
The principal funding sources of the railway are income from operations and a combination of membership subscriptions, grants and donations. The balance between these income streams changed during 2021 compared with prior years, with higher levels of grants/ donations versus operational income.

PLANS FOR FUTURE PERIODS

The Trustees are committed to a number of initiatives over the medium term. These include:

- Protection and development of income from Railway operations through enhancement of visitor experience.
- Increase of the contribution to surplus from events, drinks, catering and retail operations through expanding the events and catering offering, as well as creating new channels for retail operations (online web-shop and ticketing).
- The Trustees also recognise their duty to continue the programme of maintenance and capital expenditure to ensure the longevity of Railway assets under their care and expect to increase current levels of expenditure into the future. Financially, the Trustees expect to manage costs prudently to realise a modest operating surplus year-on-year (after maintenance costs). Any surplus is expected to be re-invested in capital expenditure programmes in future years. The Trustees also acknowledge that it will be necessary to be proactive in seeking funding from grant-making bodies so that development initiatives can be fully realised.

Investment Strategy
As at the time of writing this report in June 2022, the Charity holds a cash balance of over £850k (covering unrestricted reserves and funds designated to future projects), with its subsidiary the Keighley and Worth Valley Light Railway Ltd holding a balance that covers at least eight weeks trading.

The UK is currently suffering the highest rate of inflation in a generation. As referred to earlier, this is particularly an issue with energy (coal and diesel), steel and building materials. This potential erosion of the purchasing power has forced the Charity to consider how it can offset this problem. Consequently, an investment strategy is being developed so that the Railway we can obtain a return on its funds.

The Charity is wary of losses, and has no appetite for high levels of risk, but the impact and real cost of inflation is a certainty. The Railway has developed plans to invest in a portfolio which is cautious/ offers a low to moderate risk. This means that the Charity will invest the majority of its funds split fairly evenly between cash/ fixed interest accounts, equities (from a variety of sectors and geographies) and alternative investment vehicles (where there is a lower level of volatility) such as real estate income funds, infrastructure funds and investment funds.

The Finance Director will follow closely the performance of these investments and he will keep the Directors/ Trustees up to date with the results.

FUNDS HELD AS CUSTODIAN TRUSTEE

Neither the Charity nor its Trustees are acting as custodian trustees for funds held on behalf of others.

TRUSTEES' RESPONSIBILITIES STATEMENT

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

Company law requires the charity trustees to prepare Consolidated financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these Consolidated financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the Consolidated financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees' annual report and the strategic report were approved on 22 July 2022 and signed on behalf of the board of trustees by:

J HINCHCLIFFE
Trustee

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

YEAR ENDED 31 DECEMBER 2021

OPINION

We have audited the financial statements of Keighley and Worth Valley Railway Preservation Society Ltd (the parent charitable company) and its subsidiary (the group) for the period ended 31 December 2021 which comprise the consolidated statement of financial activities (including income and expenditure account), consolidated statement of financial position, charitable company statement of financial positions, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the Consolidated financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 Consolidated financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the Consolidated 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the date when the Consolidated financial statements are 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 other information comprises the information included in the annual report, other than the Consolidated financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the Consolidated financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated 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 Consolidated 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.

OPINIONS ON OTHER MATTERS 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 trustees' report for the financial year for which the Consolidated financial statements are prepared is consistent with the Consolidated financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Consolidated 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 trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the Consolidated 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 Consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated 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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the Consolidated financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

This report is made solely to the charitable company's members, 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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Sally Shacklock BA FCA (Senior Statutory Auditor)

For and on behalf of
Spenser Wilson Ltd
Chartered Accountants & statutory auditor
Equitable House
55 Pellon Lane
Halifax
West Yorkshire
HX1 5SP

1 September 2022

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 DECEMBER 2021

	Note	2021 Unrestricted funds £	2021 Restricted funds £	2021 **Total funds** £	2020 Total funds £
Income and endowments					
Donations and legacies	**5**	802,881	–	**802,881**	791,621
Charitable activities	**6**	961,074	–	**961,074**	521,785
Other trading activities	**7**	468,861	–	**468,861**	178,549
Investment income	**8**	4,630	–	**4,630**	65,704
Total income		2,237,446	–	**2,237,446**	1,557,659
Expenditure					
Expenditure on raising funds:					
Costs of other trading activities	**9**	263,506	–	**263,506**	264,495
Expenditure on charitable activities	**10,11**	1,623,798	–	**1,623,798**	1,113,930
Taxation	**13**	(19,873)	–	**(19,873)**	229,377
Total expenditure		1,867,431	–	**1,867,431**	1,607,802
Net income/(expenditure) and net movement in funds		370,015	–	**370,015**	(50,143)
Reconciliation of funds					
Total funds brought forward		4,627,454	5,692	**4,633,146**	4,683,289
Total funds carried forward		4,997,469	5,692	**5,003,161**	4,633,146

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 19 to 39 form part of these Consolidated financial statements.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

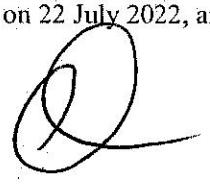
COMPANY LIMITED BY GUARANTEE

CHARITABLE COMPANY STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2021

	Note	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Intangible assets	19		–		36,667
Tangible fixed assets	20		4,201,838		4,348,243
			4,201,838		4,384,910
CURRENT ASSETS					
Stocks	22	48,123		73,735	
Debtors	23	73,465		123,631	
Cash at bank and in hand		1,264,198		654,281	
		1,385,786		851,647	
CREDITORS: amounts falling due within one year	24	193,249		206,384	
NET CURRENT ASSETS			1,192,537		645,263
TOTAL ASSETS LESS CURRENT LIABILITIES			5,394,375		5,030,173
CREDITORS: amounts falling due after more than one year	25		181,710		169,675
PROVISIONS	28		209,504		227,352
NET ASSETS			5,003,161		4,633,146
FUNDS OF THE CHARITY					
Restricted funds			5,692		5,692
Unrestricted funds			4,997,469		4,627,454
Total charity funds	30		5,003,161		4,633,146

These Consolidated financial statements were approved by the board of trustees and authorised for issue on 22 July 2022, and are signed on behalf of the board by:



DR M J STROH
(Chairman)

The notes on pages 19 to 39 form part of these Consolidated financial statements.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

CHARITABLE COMPANY STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2021

	Note	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Tangible fixed assets	**20**		**2,189,290**		2,254,086
Investments	**21**		**1,857,183**		1,857,183
			4,064,473		4,111,269
CURRENT ASSETS					
Debtors	**23**	**700,242**		286,520	
Cash at bank and in hand		**780,773**		496,469	
		1,481,015		783,019	
CREDITORS: amounts falling due within one year	**24**	**41,629**		29,605	
NET CURRENT ASSETS			**1,493,386**		752,414
TOTAL ASSETS LESS CURRENT LIABILITIES			**5,485,859**		4,864,683
NET ASSETS			**5,485,859**		4,864,683
FUNDS OF THE CHARITY					
Restricted funds			**5,692**		5,692
Unrestricted funds			**5,480,167**		4,858,831
Total charity funds	**30**		**5,485,859**		4,864,683

These financial statements were approved by the board of trustees and authorised for issue on 22 July 2022, and are signed on behalf of the board by:



DR M J STROH
(Chairman)

The notes on pages 19 to 39 form part of these Consolidated financial statements.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income/(expenditure)	**370,015**	(50,143)
Adjustments for:		
Depreciation of tangible fixed assets	**215,060**	191,497
Impairment of tangible fixed assets	**121,462**	–
Amortisation of intangible assets	**–**	3,333
Impairment of intangible assets	**36,667**	–
Other interest receivable and similar income	**(4,630)**	(6,374)
Taxation	**(19,873)**	229,377
Accrued expenses	**6,267**	138,816
Changes in:		
Stocks	**25,612**	24,322
Trade and other debtors	**50,166**	149,402
Trade and other creditors	**44,658**	(176,764)
Cash generated from operations	**845,404**	503,466
Interest received	**4,630**	6,374
Net cash from operating activities	**850,034**	509,840
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible assets	**(190,117)**	(334,962)
Purchase of intangible assets	**–**	(40,000)
Net cash used in investing activities	**(190,117)**	(374,962)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	**(50,000)**	50,000
Net cash (used in)/from financing activities	**(50,000)**	50,000
NET INCREASE IN CASH AND CASH EQUIVALENTS	**609,917**	184,878
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**654,281**	469,403
CASH AND CASH EQUIVALENTS AT END OF YEAR	**1,264,198**	654,281

The notes on pages 19 to 39 form part of these Consolidated financial statements.

1. GENERAL INFORMATION

The charitable company is a public benefit entity and a private company limited by shares, registered in England and Wales. The address of the registered office is The Railway Station, Haworth, Keighley, West Yorkshire, BD22 8NJ.

2. STATEMENT OF COMPLIANCE

These Consolidated financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparation

The Consolidated financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through income or expenditure.

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

Going concern

The Railway has demonstrated its resilience through one of the most unusual periods in its existence. Whilst there will be significant challenges as the economy recovers from the impact of the Covid-19 pandemic, now that the Railway has re-commenced operations and with the ongoing support of the Keighley and Worth Valley Preservation Society, the Directors are of the opinion that there are no material uncertainties about the company's ability to continue for the foreseeable future.

Consolidation

The financial statements consolidate the financial statements of the charitable company and all of its subsidiary undertakings.

The parent charitable company has applied the exemption contained in section 408 of the Companies Act 2006 and has not included its individual statement of financial activities (including income and expenditure account).

3. ACCOUNTING POLICIES *(continued)*

Judgements and key sources of estimation uncertainty

In the application of the charitable company's accounting policies, the directors 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.

Critical judgements
The following judgements (apart from those involving estimates) have had the most significant effect on the amounts recognised in the financial statements.

Depreciation
The charitable company exercises judgement to determine useful lives and residual values of property, plant and equipment. The assets are depreciated to their estimated residual values over their estimated useful lives.

Income tax

The charitable company is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charitable company's purposes.

Designated funds are unrestricted funds earmarked by the trustees for a particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal.

3. ACCOUNTING POLICIES *(continued)*

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charitable company, it is probable that the economic benefits associated with the transaction will flow to the charitable company and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impracticable to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

3. ACCOUNTING POLICIES *(continued)*

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the charity's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed five years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	fully amortised

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible fixed assets

Individual fixed assets are capitalised at cost and depreciated on a straight line basis over their estimated useful economic lives taking account of any residual values, as follows :

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Depreciation rates (all calculated on a straight line basis):

Freehold land	Nil
Freehold buildings and civil works	2% per annum
Leasehold land and buildings	over the life of the lease
Property improvements	33% per annum
Locomotive restorations	10% per annum (see below)
Plant, machinery and equipment	10% per annum
Fixtures and fittings	10% per annum
Office equipment and furniture	20% per annum
Computer hardware and purchased software	33% per annum
Catering equipment	33% per annum

3. ACCOUNTING POLICIES *(continued)*

Depreciation *(continued)*

The Railway maintains its operating locomotives and other rolling stock items in full working order, and all routine maintenance costs are charged to the Statement of Financial Activities when incurred. Additionally, some items are held as a non-operating strategic reserve at their residual asset values. Locomotives and other rolling stock items are therefore considered to have indeterminate lives and the Directors do not consider it appropriate to charge depreciation except as set out below.

When a major renovation or restoration of a locomotive takes place, the relevant costs incurred are capitalised as fixed assets, and depreciated on a straight line basis from the point at which the locomotive re-enters service over its expected useful economic life (usually the ten-year life of a steam locomotive boiler ticket) down to the residual non-running value of the locomotive. When a major renovation or restoration takes place on a locomotive that remains the property of an independent owners' group and a long-term hire agreement is in place between the Charity's operating subsidiary and that owners' group, the costs incurred by the operating subsidiary are also capitalised as fixed assets and depreciated on a straight line basis over the expected useful economic life of that locomotive to the Charity.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Stocks

Stocks are measured at the lower of cost and net realisable value.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

3. ACCOUNTING POLICIES *(continued)*

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in income or expenditure unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in the statement of financial activities in the period it arises, and is allocated to the appropriate expenditure heading.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss. Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. LIMITED BY GUARANTEE

The charitable company is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

5. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2021 £**
DONATIONS			
Bequests and donations	190,603	–	**190,603**
GIFTS			
Membership subscriptions	54,335	–	**54,335**
GRANTS			
Grants receivable	557,943	–	**557,943**
	802,881	–	**802,881**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
DONATIONS			
Bequests and donations	330,849	148	330,997
GIFTS			
Membership subscriptions	57,875	–	57,875
GRANTS			
Grants receivable	402,749	–	402,749
	791,473	148	791,621

6. CHARITABLE ACTIVITIES

	Unrestricted Funds £	**Total Funds 2021 £**	Unrestricted Funds £	Total Funds 2020 £
Fares	498,278	**498,278**	131,917	131,917
Loco Hire	–	–	27,648	27,648
Special events income	462,796	**462,796**	362,220	362,220
	961,074	**961,074**	521,785	521,785

7. OTHER TRADING ACTIVITIES

	Unrestricted Funds £	**Total Funds 2021 £**	Unrestricted Funds £	Total Funds 2020 £
Catering income	166,602	**166,602**	82,938	82,938
Shop income	121,129	**121,129**	71,499	71,499
Parking	–	**–**	3,360	3,360
Filming fees	151,408	**151,408**	833	833
Adverts	–	**–**	213	213
Sundries	7,163	**7,163**	280	280
Photo permits	–	**–**	3,755	3,755
Apprentice scheme	–	**–**	2,090	2,090
Scrap	22,559	**22,559**	13,581	13,581
	468,861	**468,861**	178,549	178,549

8. INVESTMENT INCOME

	Unrestricted Funds £	**Total Funds 2021 £**	Unrestricted Funds £	Total Funds 2020 £
Bank interest receivable	2,297	**2,297**	3,008	3,008
Rent receivable	2,333	**2,333**	62,696	62,696
	4,630	**4,630**	65,704	65,704

9. COSTS OF OTHER TRADING ACTIVITIES

	Unrestricted Funds £	**Total Funds 2021 £**	Unrestricted Funds £	Total Funds 2020 £
Shop	77,601	**77,601**	55,190	55,190
Catering	185,905	**185,905**	209,305	209,305
	263,506	**263,506**	264,495	264,495

10. EXPENDITURE ON CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	**Total Funds 2021 £**	Unrestricted Funds £	Total Funds 2020 £
Train services	694,873	**694,873**	402,568	402,568
Support costs	928,925	**928,925**	711,362	711,362
	1,623,798	**1,623,798**	1,113,930	1,113,930

11. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly £	Support costs £	**Total funds 2021 £**	Total fund 2020 £
Train services	694,873	610,203	**1,305,076**	798,413
Shop	–	22,520	**22,520**	21,713
Catering	–	31,529	**31,529**	21,713
Fundraising activities	–	135,963	**135,963**	176,096
Other activities	–	114,571	**114,571**	84,835
Governance costs	–	14,139	**14,139**	11,160
	694,873	928,925	**1,623,798**	1,113,930

The support costs of £928,925 (2020 - 711,362) are apportioned in this note across the charitable and other trading activities in the group as set out above and in note 12.

12. ANALYSIS OF SUPPORT COSTS

	Train services	Shop	Catering	Fund raising activities	Other activities	**Total 2021**	Total 2020
	£	£	£	£	£	**£**	£
Staff costs	91,164	10,853	15,194	80,311	39,533	**237,055**	234,607
Premises	35,085	4,177	5,848	18,626	19,801	**83,537**	73,059
Communications and IT	12,798	1,524	2,133	–	14,017	**30,472**	23,644
General office	19,145	–	–	–	–	**19,145**	15,132
Governance costs	–	–	–	–	14,139	**14,139**	11,160
Insurance	19,642	2,338	3,274	–	21,513	**46,767**	50,927
Publicity	28,695	–	–	–	–	**28,695**	42,568
Bank charges	15,528	1,849	2,588	13,680	3,327	**36,972**	26,326
Sundry expenses	14,955	1,780	2,492	–	16,378	**35,605**	25,720
Depreciation	215,062	–	–	–	–	**215,062**	194,830
Push and Pull magazine	–	–	–	23,347	–	**23,347**	13,389
Impairment of tangible fixed assets	121,462	–	–	–	–	**121,462**	–
Impairment of intangible assets	36,667	–	–	–	–	**36,667**	–
	610,203	22,521	31,529	135,964	128,708	**928,925**	711,362

13. TAXATION

Major components of tax (income)/expense

	2021	2020
	£	£
Current tax:		
UK current tax (income)/expense	**(2,025)**	2,025
Deferred tax:		
Origination and reversal of timing differences	**(17,848)**	227,352
Taxation	**(19,873)**	229,377

14. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Amortisation of intangible assets	**–**	3,333
Depreciation of tangible fixed assets	**215,060**	191,497
Impairment of tangible assets	**121,462**	–
Impairment of intangible assets	**36,667**	–

15. AUDITORS REMUNERATION

	2021	2020
	£	£
Fees payable for the audit of the consolidated financial statements	**4,350**	4,000
Fees payable to the charity's auditor and its associates for other services:		
Audit of the financial statement of the subsidiary	**5,448**	5,550

16. STAFF COSTS

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021	2020
	£	£
Wages and salaries	**360,479**	394,815
Social security costs	**26,529**	27,722
Employer contributions to pension plans	**7,278**	9,203
	394,286	431,740

16. STAFF COSTS *(continued)*

Wages and salaries include redundancy payments made through the year.

The average head count of employees during the year was 24 (2020: 34). The average number of full-time equivalent employees during the year is analysed as follows:

	2021	2020
	No.	No.
Administration	**6**	7
Loco department	**2**	2
Shop and catering	**5**	8
	13	17

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

17. TRUSTEE REMUNERATION AND EXPENSES

A trustee received remuneration of £3,971 (2020 - £nil), in respect of services provided to the Keighley and Worth Valley Light Railway Limited, not in respect of their services as a trustee.

No other trustees received remuneration or other benefits from employment with the charitable company or a related entity during the current or previous year.

No expenses were paid to the trustees during this or the previous year.

18. FINANCIAL PERFORMANCE OF THE CHARITY

	Unrestricted funds	Restricted funds	**Total Funds 2021**
	£		**£**
Donations and grants received	670,281	–	**670,281**
Membership and other income	5,779	–	**5,779**
	676,060	–	**676,060**
Costs of generating voluntary income	23,347	–	**23,347**
Governance costs	4,350	–	**4,350**
Support costs	27,027	–	**27,027**
	54,724	–	**54,724**
Net movement in funds	621,336	–	**621,336**
Total funds Brought forward	4,858,831	5,692	**4,864,523**
Total funds carried forward	5,480,167	5,692	**5,485,859**

18. FINANCIAL PERFORMANCE OF THE CHARITY *(continued)*

	Unrestricted funds £	Restricted funds	Total Funds 2020 £
Donations and grants received	604,468	148	604,616
Membership and other income	4,327	–	4,327
	608,795	148	608,943
Costs of generating voluntary income	15,211	–	15,211
Governance costs	4,048	–	4,048
Support costs	41,674	–	41,674
	60,933	–	60,933
Net movement in funds	547,862	148	548,010
Total funds Brought forward	4,311,129	5,544	4,316,673
Total funds carried forward	4,858,991	5,692	4,864,683

19. INTANGIBLE ASSETS

	Goodwill £
Cost	
At 1 January 2021 and 31 December 2021	**40,000**
Amortisation	
At 1 January 2021	**3,333**
Charge for the year	–
Impairment losses	**36,667**
At 31 December 2021	**40,000**
Carrying amount	
At 31 December 2021	–
At 31 December 2020	36,667

20. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold property £	Fixtures & fittings £	Locomotives & rolling stock £	**Total £**
Cost					
At 1 January 2021	1,878,413	76,317	580,291	2,903,515	**5,438,536**
Additions	93,249	–	49,944	46,924	**190,117**
At 31 December 2021	1,971,662	76,317	630,235	2,950,439	**5,628,653**
Depreciation					
At 1 January 2021	44,111	26,529	416,830	602,823	**1,090,293**
Charge for the year	53,373	852	27,074	133,761	**215,060**
Impairment losses	16,795	30,991	73,676	–	**121,462**
At 31 December 2021	114,279	58,372	517,580	736,584	**1,426,815**
Carrying amount					
At 31 December 2021	1,857,383	17,945	112,655	2,213,855	**4,201,838**
At 31 December 2020	1,834,302	49,788	163,461	2,300,692	4,348,243

	2021 £	2020 £
Leasehold land and buildings comprise of		
Keighley Station – cost	**40,809**	40,809
Cafe Choux Choux – cost	**–**	33,808
Iron gates cost	**1,700**	1,700
Amortisation to date	**(24,564)**	(26,529)
	17,945	49,788

20. TANGIBLE FIXED ASSETS *(continued)*

Charitable company

	Freehold property £	Long leasehold property £	Fixtures & fittings £	Locomotives & rolling stock £	**Total £**
Cost At 1 January 2020	1,025,117	74,617	476,173	1,221,593	**2,797,500**
Additions	93,249	–	49,994	46,674	**189,867**
Disposals					
	1,118,366	74,617	526,167	1,268,267	**2,987,367**
Depreciation At 1 January 2020	14,225	26,207	389,292	517,731	**947,455**
Charge for the year	14,352	36	4,741	7,724	**26,853**
Impairment losses	13,794	30,991	38,484	–	**83,269**
	42,371	57,234	432,517	525,455	**1,057,577**
At 31 December 2021	1,051,326	16,603	76,008	624,497	**1,768,434**
At 31 December 2020	1,010,892	48,410	86,881	703,862	1,850,045

21. INVESTMENT ENTITIES

Subsidiaries and other investments

There are no investments outside the UK.

The charitable company's investments at the balance sheet date of £1,857,183 is included in these consolidated accounts at cost and comprise:

Keighley and Worth Valley Light Railway Ltd

Company number	008710851
Country of incorporation	England and Wales
Registered office	The Railway Station Station Road Haworth BD22 8NJ
Nature of business	Operation of the Keighley and Worth Valley Railway
Class of shares	Ordinary

There is a minority interest in the subsidiary, Keighley and Worth Valley Light Railway Ltd, consisting of 164 ordinary shares of £10 each. These shares do not entitle the holder to a dividend or voting rights. On winding up of the company they would be entitled to a maximum of the nominal value. The Charity holds 100% of all shares entitled to voting rights and dividends.

21. INVESTMENT ENTITIES *(continued)*

	2021	2020
	£	£
Summary of trading results		
Turnover	**1,424,678**	696,064
Total expenditure	**(1,794,490)**	(1,317,497)
Other operating income	**116,489**	269,756
Other income	**2,400**	3,008
Taxation	**19,873**	(229,377)
Loss for the year	**(231,050)**	(578,046)
Assets	**2,373,213**	2,207,286
Liabilities	**(1,381,741)**	(984,764)
Summary of assets and liabilities	**991,472**	1,222,522

22. STOCKS

	2021	2020
	£	£
Retail shop stock	**48,123**	73,735

23. DEBTORS

	2021	2020
	£	£
Trade debtors	**3,377**	39,853
Prepayments and accrued income	**42,218**	49,145
Corporation tax repayable	**2,025**	–
Other debtors	**25,845**	34,633
	73,465	123,631

Charitable company

	2021	2020
	£	£
Trade debtors	**10**	32,497
Amounts owed by subsidiary undertaking	**700,008**	251,784
VAT	**224**	2,239
	700,242	286,520

The amounts owed by the subsidiary undertaking are unsecured and repayable on demand.

24. CREDITORS: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	–	5,833
Trade creditors	**71,641**	74,587
Accruals and deferred income	**87,580**	61,834
Corporation tax	–	2,025
Social security and other taxes	**7,271**	10,602
Sundry creditors	**26,757**	51,503
	193,249	206,384

Charitable company

	2021	2020
	£	£
Trade creditors	**4,607**	4,864
Accrual and deferred income	**37,022**	24,741
	41,629	29,605

25. CREDITORS: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans and overdrafts	–	44,167
Accruals and deferred income	**181,710**	125,508
	181,710	169,675

Included within creditors: amounts falling due after more than one year is an amount of £Nil (2020: £4,167) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

26. DEFERRED INCOME

	2021	2020
	£	£
At 1 January 2021	**161,150**	172,291
Amount released to income	**(161,150)**	(172,291)
Amount deferred in year	**236,831**	161,150
At 31 December 2021	**236,831**	161,150

At the balance sheet date the Keighley & Worth Valley Railway Preservation Society Limited held funds received in advance which all relate to monies in advance for the 2022 financial year as follows:

	2021	2020
	£	£
Subscriptions paid in advance	**22,772**	20,741
Grant income received in advance	**214,059**	140,409
	236,831	161,150

27. DEFERRED TAX

The deferred tax included in the statement of financial position is as follows:

	2021	2020
	£	£
Included in provisions (note 28)	**209,504**	227,352

The deferred tax account consists of the tax effect of timing differences in respect of:

	2021	2020
	£	£
Accelerated capital allowances	**209,504**	227,352

28. PROVISIONS

	Deferred tax (note 27)
	£
At 1 January 2021	**223,012**
Charge against provision	**(13,508)**
At 31 December 2021	**209,504**

29. PENSIONS AND OTHER POST RETIREMENT BENEFITS

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £7,278 (2020: £9,203).

30. ANALYSIS OF CHARITABLE FUNDS

Unrestricted funds

	At 1 Jan 2021 £	Income £	Expenditure £	**At 31 Dec 2021 £**
General funds	4,627,454	2,237,446	(1,867,431)	**4,997,469**

	At 1 Jan 2020 £	Income £	Expenditure £	At 31 Dec 2020 £
General funds	4,677,745	1,557,511	(1,607,802)	4,627,454

Restricted funds

	At 1 Jan 2021 £	Income £	Expenditure £	**At 31 Dec 2021 £**
41241 Ivatt	5,253	–	–	**5,253**
Engine 43924	439	–	–	**439**
	5,692	–	–	**5,692**

	At 1 Jan 2020 £	Income £	Expenditure £	At 31 Dec 2020 £
41241 Ivatt	5,105	148	–	5,253
Engine 43924	439	–	–	439
	5,544	148	–	5,692

Restricted funds relate to appeals for restoration work on specific locomotives as details above.

31. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2021 £**
Intangible assets	–	–	–
Tangible fixed assets	4,201,838	–	**4,201,838**
Current assets	1,380,094	5,692	**1,385,786**
Creditors less than 1 year	(193,249)	–	**(193,249)**
Creditors greater than 1 year	(181,710)	–	**(181,710)**
Provisions	(209,504)	–	**(209,504)**
Net assets	4,997,469	5,692	**5,003,161**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Intangible assets	36,667	–	36,667
Tangible fixed assets	4,348,243	–	4,348,243
Current assets	845,955	5,692	851,647
Creditors less than 1 year	(206,384)	–	(206,384)
Creditors greater than 1 year	(169,675)	–	(169,675)
Provisions	(227,352)	–	(227,352)
Net assets	4,627,454	5,692	4,633,146

32. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2021 £	Cash flows £	**At 31 Dec 2021 £**
Cash at bank and in hand	654,281	609,917	**1,264,198**
Debt due within one year	(5,833)	5,833	–
Debt due after one year	(44,167)	44,167	–
	604,281	659,917	**1,264,198**

33. OPERATING LEASE COMMITMENTS

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Not later than 1 year	**19,045**	24,762
Later than 1 year and not later than 5 years	**69,853**	92,723
Later than 5 years	**80,625**	96,750
	169,523	214,235

34. RELATED PARTIES

Keighley & Worth Valley Railway Trust - The trustees of the Keighley & Worth Valley Railway Trust are appointed by the trustees of The Keighley and Worth Valley Railway Preservation Society Limited.

During the year, the Keighley and Worth Valley Light Railway Limited received grants amounting to £11,178 (2020 - £45,073) from The Keighley and Worth Valley Railway Trust of which £11,178 (2020 - £15,073) has been recognised in the profit and loss account with an additional £14,900 (2020 - £14,550) released from deferred income. The remaining grants of £nil (2020 - £30,000) have been deferred over the life of the assets to which it relates. Total grants of £125,508 (2020 - £140,408) relating to fixed assets are included in deferred income.

KEIGHLEY & WORTH VALLEY RAILWAY PRESERVATION SOCIETY LIMITED

England & Wales - Charity number 1136853

Accounts

WORTH VALLEY

THE KEIGHLEY AND WORTH VALLEY RAILWAY

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

Company Limited by Guarantee

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2020

Company registration number: 07135945
Charity registration number: 1136853

Spenser Wilson
Chartered Accountants & Business Advisers

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

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KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)

YEAR ENDED 31 DECEMBER 2020

The trustees, who are also the directors for the purposes of company law, present their report and the Consolidated financial statements of the charity for the year ended 31 December 2020.

Reference and administrative details

Registered charity name	Keighley and Worth Valley Railway Preservation Society Ltd
Charity registration number	1136853
Company registration number	07135945
Principal office and registered office	The Railway Station Station Road Haworth BD22 8NJ
The Trustees	Dr M J Stroh (Chairman) R Higgins J Hoyle M Tarran W H Black R Hustwick C G Smyth R M R Graham W N Bennett T Ruddock P Balmforth P Lawton A R Brown (Appointed 21 November 2020) J Duijusters (Appointed 21 November 2020) J Hinchcliffe (Appointed 10 March 2021) P Oliver (Appointed 21 November 2020) K Pilsworth (Appointed 21 November 2020) S R Harris (Resigned 29 July 2020) J A Warburton (Resigned 21 November 2020) M A Shaw (Resigned 21 November 2020)
Company secretary	R Batty
Auditor	Spenser Wilson Ltd Chartered Accountants & statutory auditor Equitable House 55 Pellon Lane Halifax West Yorkshire HX1 5SP

Bankers

Barclays Bank Plc
77 North Street
Keighley
West Yorkshire
BD21 3SA

Structure, governance and management

Governing Document
The Keighley & Worth Valley Railway Preservation Society Limited is a company limited by guarantee governed by its Memorandum and Articles of Association dated 19 January 2010. It is registered as a charity with the Charity Commission.

Trustees
Trustees, who are also the Directors of the Charity, are elected for three years by Members at the Annual General Meeting.

Trustees must be a member of the Charity, over 18 years old and not disqualified from acting as a Trustee under the Charities Act 2011.

Members who wish to be proposed as a Trustee must give notice to the Charity at least 45 days before the Annual General Meeting. Members receive at least 14 days' notice of the Annual General Meeting and are entitled to vote in person or by proxy.

At any one time there should be a minimum of two Trustees, but no maximum. At the date of this report, there are 17 Trustees.

No person or body, other than Members at the Annual General Meeting, or Trustees at a meeting, have the power to remove Trustees from office.

Trustee training
Following their election, Trustees are given briefing notes for the conduct of Directors produced by the Heritage Railway Association and the Charity Commission's guidance for Trustees. The Chairman, Company Secretary and Finance Director provide further guidance as is necessary. All Trustees are familiar with the Railway as members and most have volunteered for many years.

Organisation
The Trustees manage the business of the Charity and each has responsibility for a specific part of the Charity's operations. There are also at least 2 Trustees representing members' interests.

The Charity has two related parties as follows:

- The Keighley and Worth Valley Light Railway Limited is a wholly owned subsidiary of the Charity, whose function is to operate the Railway and undertake commercial activities. It is a private limited company, incorporated in England and Wales, and wholly controlled by the Charity. Directors of the subsidiary are appointed by the Trustees of the Charity. Up to half of the total number of Directors of the subsidiary may also be Trustees of the Charity. The subsidiary also directly employs technical, professional and administrative support staff who, along with the directors, undertake the day-to-day running of the subsidiary. The Keighley and Worth Valley Light Railway Limited is included in these consolidated accounts.
- The Keighley and Worth Valley Railway Trust is a charity established to support the work of the Railway. Whilst the Trustees act independently, they are appointed by the Charity and the Trust can only support projects that are ratified by the Board of the Charity.

Risk management
The Trustees consider that the following are the most significant risks to the continued operation of the Railway:

- Safe operating: unsafe operations could result in an incident that prevents the Railway from running. To mitigate this risk, the Railway has a full Safety Management System in place and a clearly defined procedure for its review, amendment and approval.
- A catastrophic infrastructure event: such an event could compromise the ability to operate the Railway. To mitigate this risk, the Railway has in place an on-going programme of preventive maintenance procedures. It also maintains appropriate insurance to further protect it from such events.
- Loss of volunteer resource: volunteers form the core of the Railway's workforce and without their on-going support, the Railway would cease to be financially viable and unable to meet is charitable objects. Both the Charity and the operating subsidiary actively manage the Railway's wide base of volunteer skill and time to mitigate this risk.

Objectives and activities

Objects and aims
The Charity has four objects in its articles of association. In summary they are:

1. the preservation, operation, restoration, maintenance and protection of the Keighley and Worth Valley Railway (the Railway),
2. the preservation of archives, records and artifacts relating to the Railway,
3. the education of the public through the operation of the Railway,
4. other charitable purposes for the advancement of education associated with the Railway.

The aim of the Railway is to achieve its objects in a manner that is financially sustainable.

Public benefit
The Charity has continued to meet its charitable objects in the operation and preservation of the Railway and continues to seek to contribute to the local community through its programme of events. The operation of the Railway provides a wider benefit by seeking to sustain traditional engineering skills; by providing a welcoming environment for volunteers to develop new skills and competencies; and by sharing knowledge between similar organisations.

The Trustees confirm that they have each complied with their duties under section 17 (5) of the Charities Act 2011 to have due regard to the guidance on public benefit published by the Charity Commission when carrying out their roles and responsibilities.

Objectives for the year
The Charity continued to have three primary objectives:
1. To maintain an underlying operational surplus to enable investment in essential capital and investment expenditure requirements to be met through:
   a) maintaining passenger income at least at the previous year's level;
   b) retaining sufficient unrestricted and undesignated cash reserves whilst undertaking capital projects to maintain and enhance the Railway's assets and facilities;
   c) developing longer-term funding and project plans to enable the Charity to continue to meet the Railway's charitable objects.
2. Through the Charity's trading subsidiary, develop an appropriate commercial plan, with a particular focus on enhancing the Railway's catering offering.
3. To develop long-term plans for the sustainability of the volunteer operation of the Railway.

Strategies for the year
1. Continue to manage costs carefully through a period of challenging economic conditions and to maintain income levels whilst not endangering the long term future of the Railway.
2. Establishment of a longer-term programme of strategic initiatives designed to enhance the commercial activities and invest in capital projects and infrastructure, principally on the planned civil maintenance bridge replacement and groundworks projects.
3. Implement promotions and events aimed at retaining the number of passengers to at least the prior year level and to implement plans to increase revenue per passenger.

Challenges during the year
2020 has been a year like no other in the Railway's history. We had a successful start to the year, having just concluded a sell-out Santa season at the end of 2019. We enjoyed our inaugural visit of the dinosaurs during February, which was the first in a series of new events planned during 2020, and we completed in January the purchase of the café business resident in Keighley Station. We also secured the purchase of the Pullman Car No. 73, named Ann during its time with us in recognition of our President. The vehicle had been on loan to the Railway for over a decade, but the owners had informed us of their intention to offer the carriage for sale, and we were keen to secure its residence on the Railway for the longer term.

However, the year took a very unwelcome turn as the impact of the Covid-19 global pandemic caused us to cease operations in March and meant we had to close the Railway to virtually all activities until we were permitted to prepare for the reopening in August. In the meantime, we had completed our most ambitious civil engineering project ever, with the replacement of the 115+ year old Bridge 11, which

was an activity that was also paused during the lockdown period, adding significantly to the complexity and impact of the work. We were forced to close again in November and were then able to reopen for the Elf Express services at Christmas, before again pausing operations at the start of 2021.

As you would appreciate, the objective became securing the long-term financial future of the Railway in the face of such challenges, and so our attention was focused on immediate cost-saving and fund-raising. We have achieved both, with a round of redundancies to scale back our catering and retail operations in light of the economic challenge and pausing all but essential expenditure across the Railway. Thankfully, we entered the pandemic with sufficient cash reserves to weather the immediate storm and were then able to access the various national grants and means of support during the periods of closure and beyond.

We are very grateful to the members and others who donated significant sums to our appeals, as well as to the Keighley & Worth Valley Railway Trust for its support for the Bridge 11 Project. We are especially grateful to the National Heritage Lottery Fund for a series of grants during 2020, which have continued into the first half of 2021. The Government's Towns' Fund also provided grant funding for several projects, including the restoration of the "conveniences" at Keighley Station; the purchase and restoration of a BSK vehicle that will provide further accessible accommodation for passengers as well as help provide further on-train catering; and the replacement of the crossing gates at Oakworth.

In the longer-term we, like other heritage railways, remain concerned for the continued supply of coal at an economically-sustainable price, and continue to lobby for concessions by government for heritage organisations such as ours as government has curtailed through legislation other uses for coal in the UK, which will increase even further the price of our core fuel source.

Significant activities during the year and volunteer involvement
As we entered the second half-century of operation of the Railway, The most significant activity during the year beyond the operation of the Railway, when we have been permitted to do so, has been the fundraising effort. It has been a huge volunteer effort involving the whole Railway to achieve such a great fundraising success, and our particular thanks go to David Pearson who has taken a lead on the fundraising activities during these troubled times.

The Trustees would like to thank all those volunteers who continue to contribute to the success and achievements of the Railway. At the times we were allowed to do so, the core Railway activity continued to be the operation of steam and heritage diesel services on all weekends during the year and on those weekdays coinciding with school holidays and other days as deemed commercially viable. The operation demands a great deal from our volunteers. In addition, our volunteers run a programme of events through the year that make a very significant contribution to the Railway's finances and during 2020 this is exemplified by the replacement of Bridge 11: our thanks to all involved in the successful delivery of this very challenging project.

No attempt has been made to quantify the financial value of the work of the volunteers, but the Trustees acknowledge that the Railway would not be financially viable without their continued contribution.

STRATEGIC REPORT

The following sections for achievements and performance and financial review form the strategic report of the charity.

Achievements and performance

Achievement of objectives
The Trustees are pleased that the Railway has achieved its objectives relating to sound financial management and investment into infrastructure and we entered the year with a very strong operational fleet. We also completed the purchase of the business of the café located at Keighley station, and so the Trustees anticipate that this and the other on-going strategic initiatives will continue to bear commercial fruit over the coming financial years. The focus during the year shifted to the response to the impact of the global pandemic, meaning that we were unable to operate trains for a significant part of the year, which is reflected in the attached financial statements.

Fundraising
As discussed above, the Charity's focus has been on raising funds from targeted fund-raising campaigns, to complement the depleted income from fares and events in a very challenging year.

Financial review

The financial statements for 2020 are almost incomparable with the comparative period for the year ended 31 December 2019 due to the impact of the pandemic on the Railway's operation. We had to defer much planned expenditure when we had to cease operations in March 2020, without any certainty as to when we would be allowed to resume running passenger trains. Every department responded magnificently to the challenge, and as funds were received from various sources, we were able to recommence various activities across the Railway. However, not all the funding has been received during this financial period with grants and donations continuing into 2021.

The financial statements do show the completion of the purchase of the café business at Keighley in January 2021, which had most of its cost underwritten by government support for wages and rates during the year; and the purchase of the Pullman car "Ann", which were completed prior to the impact of the Pandemic being known. Both purchases were made from a reserve maintained specifically to enhance the Railway's commercial offering.

Despite the challenges, the funds of the Charity, net of restricted funds, has remained materiality consistent with the prior year: £4,627,454 (2019: £4,677,745) and this is testimony to the focus on fund raising and cost management during the year. Total income fell from £2m to £1.6m, but costs (net of taxation) reduced by £679,449 and cash increased from £469,403 to £654,281 at 31 December 2020, which is after the cost of the purchase of the Pullman car and café business at the start of 2020, but does include £50,000 of Covid-19 Bounce Back Loan funds.

All such projects have been funded from both existing cash reserves and on-going fund-raising initiatives. The cash balance does include a £50,000 Covid-19 "bounce back loan" which thanks to the fundraising success was not required and was repaid in May 2021 before any interest was payable. As in previous years, the Charity held its surplus and all restricted funds in cash and had no investments.

Policy on reserves
The Charity's policy is to hold a minimum of £150,000 unrestricted and undesignated cash at bank as a reserve against the realisation of any of the risks set out in the Risk Management section and aims to hold a working capital reserve (net of current assets) of at least £50,000 at 31 December each year, although the working capital requirement is circa £100,000 higher than this during our intensive summer running period of operation. Cash at bank stood at £654,281 (2019: £469,403) at the end of the year and there were no breaches of the reserve policy at any time during the year. Cash reserves historically have normally been within the range of £400,000 to £600,000. Net current assets at the year-end remain well within historic norms for the Railway, totalling £645,263 (2019: £589,169). The 31 December 2020 cash balance does include a £50,000 Covid-19 "bounce back loan" which thanks to the fundraising success was not required and was repaid in May 2021 before any interest was payable.

Principal Funding sources
The principal funding sources of the railway are income from operations and a combination of membership subscriptions, grants and donations, although the balance between these income streams changed during 2020 compared with prior years.

Plans for future periods

The Trustees are committed to a number of initiatives over the medium term. These include:

- Protection of income from Railway operations through enhancement of visitor experience.
- Increase of the contribution to surplus from catering and retail operations through expanding the catering offering and creating new channels for retail operations.
- The Trustees also recognise their duty to continue the programme of maintenance and capital expenditure to ensure the longevity of Railway assets under their care and expect to maintain current levels of expenditure into the future. Financially, the Trustees expect to manage costs prudently to realise a modest operating surplus year-on-year (after maintenance costs). Any surplus is expected to be re-invested in capital expenditure programmes in future years. The Trustees also acknowledge that it will be necessary to be proactive in seeking funding from grant-making bodies so that development initiatives can be fully realised.

Funds held as custodian trustee

Neither the Charity nor its Trustees are acting as custodian trustees for funds held on behalf of others.

Trustees' responsibilities statement

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

Company law requires the charity trustees to prepare Consolidated financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these Consolidated financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the Consolidated financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees' annual report and the strategic report were approved on 7 August 2021 and signed on behalf of the board of trustees by:

Dr M J Stroh
Chairman of the Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

YEAR ENDED 31 DECEMBER 2020

Opinion

We have audited the financial statements of Keighley and Worth Valley Railway Preservation Society Ltd (the parent charitable company) and its subsidiary (the group) for the period ended 31 December 2020 which comprise the consolidated statement of financial activities (including income and expenditure account), consolidated statement of financial position, charitable company statement of financial positions, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the Consolidated financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 Consolidated financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the Consolidated 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the date when the Consolidated financial statements are 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 other information comprises the information included in the annual report, other than the Consolidated financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the Consolidated financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated 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 Consolidated 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.

Opinions on other matters 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 trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Consolidated 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 trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the Consolidated 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 Consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

•the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- we identified the laws and regulations applicable to the charitable company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the Consolidated financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, 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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sally Shacklock BA FCA (Senior Statutory Auditor)

For and on behalf of
Spenser Wilson Ltd
Chartered Accountants & statutory auditor
Equitable House
55 Pellon Lane
Halifax
West Yorkshire
HX1 5SP

7 August 2021

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 DECEMBER 2020

	Note	2020 Unrestricted funds £	2020 Restricted funds £	2020 **Total funds** £	2019 Total funds £
Income and endowments					
Donations and legacies	**5**	791,473	148	**791,621**	139,925
Charitable activities	**6**	521,785	–	**521,785**	1,298,372
Other trading activities	**7**	178,549	–	**178,549**	520,486
Investment income	**8**	65,704	–	**65,704**	10,177
Total income		1,557,511	148	**1,557,659**	1,968,960
Expenditure					
Expenditure on raising funds:					
Costs of other trading activities	**9**	264,495	–	**264,495**	360,760
Expenditure on charitable activities	**10,11**	1,113,930	–	**1,113,930**	1,697,114
Taxation	**13**	229,377	–	**229,377**	–
Total expenditure		1,607,802	–	**1,607,802**	2,057,874
Net expenditure and net movement in funds		(50,291)	148	**(50,143)**	(88,914)
Reconciliation of funds					
Total funds brought forward		4,677,745	5,544	**4,683,289**	4,772,203
Total funds carried forward		4,627,454	5,692	**4,633,146**	4,683,289

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 18 to 39 form part of these Consolidated financial statements.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

(Company Registration Number: 07135945)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2020

	Note	2020 £	2020 £	2019 £	2019 £
FIXED ASSETS					
Intangible assets	19		36,667		–
Tangible fixed assets	20		4,348,243		4,204,778
			4,384,910		4,204,778
CURRENT ASSETS					
Stocks	22	73,735		98,057	
Debtors	23	123,631		273,033	
Cash at bank and in hand		654,281		469,403	
		851,647		840,493	
CREDITORS: amounts falling due within one year	24	206,384		251,324	
NET CURRENT ASSETS			645,263		589,169
TOTAL ASSETS LESS CURRENT LIABILITIES			5,030,173		4,793,947
CREDITORS: amounts falling due after more than one year	25		169,675		110,658
PROVISIONS	28		227,352		–
NET ASSETS			4,633,146		4,683,289
FUNDS OF THE CHARITY					
Restricted funds			5,692		5,544
Unrestricted funds			4,627,454		4,677,745
Total charity funds	30		4,633,146		4,683,289

These Consolidated financial statements were approved by the board of trustees and authorised for issue on 7 August 2021, and are signed on behalf of the board by:

Dr M J Stroh
Chairman of the Trustees

The notes on pages 18 to 39 form part of these Consolidated financial statements.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD
COMPANY LIMITED BY GUARANTEE
(Company Registration Number: 07135945)

CHARITABLE COMPANY STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2020

	Note	2020 £	2020 £	2019 £	2019 £
FIXED ASSETS					
Tangible fixed assets	**20**		2,254,086		921,358
Investments	**21**		1,857,183		277,070
			4,111,269		1,198,428
CURRENT ASSETS					
Debtors	**23**	286,520		2,881,719	
Cash at bank and in hand		496,499		269,205	
		783,019		3,150,924	
CREDITORS: amounts falling due within one year	**24**	29,605		32,678	
NET CURRENT ASSETS			753,414		3,118,246
TOTAL ASSETS LESS CURRENT LIABILITIES			4,864,683		4,316,674
NET ASSETS			4,864,683		4,316,674
FUNDS OF THE CHARITY					
Restricted funds			5,692		5,544
Unrestricted funds			4,858,831		4,311,129
Total charity funds	**30**		4,864,523		4,316,673

These financial statements were approved by the board of trustees and authorised for issue on 7 August 2020, and are signed on behalf of the board by:

Dr M I Stroh
Chairman of the Trustees

The notes on pages 18 to 39 form part of these Consolidated financial statements.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Net expenditure	**(50,143)**	(88,914)
Adjustments for:		
Depreciation of tangible fixed assets	**191,497**	176,050
Amortisation of intangible assets	**3,333**	–
Other interest receivable and similar income	**(6,374)**	(10,177)
Taxation	**229,377**	–
Accrued expenses/(income)	**138,816**	(142,440)
Changes in:		
Stocks	**24,322**	22,460
Trade and other debtors	**149,402**	(156,997)
Trade and other creditors	**(176,764)**	12,204
Cash generated from operations	**503,466**	(187,814)
Interest received	**6,374**	10,177
Net cash from/(used in) operating activities	**509,840**	(177,637)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible assets	**(334,962)**	(77,441)
Purchase of intangible assets	**(40,000)**	–
Net cash used in investing activities	**(374,962)**	(77,441)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	**50,000**	–
Net cash from financing activities	**50,000**	–
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**184,878**	(255,078)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**469,403**	724,481
CASH AND CASH EQUIVALENTS AT END OF YEAR	**654,281**	469,403

The notes on pages 18 to 39 form part of these Consolidated financial statements.

1. GENERAL INFORMATION

The charitable company is a public benefit entity and a private company limited by shares, registered in England and Wales. The address of the registered office is The Railway Station, Haworth, Keighley, West Yorkshire, BD22 8NJ.

2. STATEMENT OF COMPLIANCE

These Consolidated financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparation

The Consolidated financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through income or expenditure.

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

Going concern

The Railway has demonstrated its resilience through one of the most unusual periods in the Preservation Society's existence and starts the new financial year with a stronger cash balance than the previous year end, even after investment in a café business and enhancing the operational fleet. Whilst there will be significant challenges as the economy recovers from the impact of the Covid-19 pandemic, now that the Railway has re-commenced operations and taking into account the strength of the balance sheet, the Trustees are of the opinion that there are no material uncertainties about the charitable company's ability to continue as a going concern.

Consolidation

The financial statements consolidate the financial statements of the charitable company and its subsidiary undertaking.

The parent charitable company has applied the exemption contained in section 408 of the Companies Act 2006 and has not included its individual statement of financial activities (including income and expenditure account).

3. ACCOUNTING POLICIES *(continued)*

Judgements and key sources of estimation uncertainty

In the application of the charitable company's accounting policies, the directors 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.

Critical judgements
The following judgements (apart from those involving estimates) have had the most significant effect on the amounts recognised in the financial statements.

Depreciation
The charitable company exercises judgement to determine useful lives and residual values of property, plant and equipment. The assets are depreciation to their estimated residual values over their estimated useful lives.

Income tax

The charitable company is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charitable company's purposes.

Designated funds are unrestricted funds earmarked by the trustees for a particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal.

3. ACCOUNTING POLICIES *(continued)*

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charitable company, it is probable that the economic benefits associated with the transaction will flow to the charitable company and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- Legacy income is recognised when receipt is probable and entitlement is established.
- Income from donated goods is measured at the fair value of the goods unless this is impracticable to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- Income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

3. ACCOUNTING POLICIES *(continued)*

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the charity's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed five years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	Over the life of the lease

Tangible fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost and depreciated on a straight line basis over their estimated useful economic lives taking account of any residual values, as follows :

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Depreciation rates (all calculated on a straight line basis):

Freehold buildings :	2% per annum
Leasehold land and buildings :	over the life of the lease
Locomotive restorations :	10% per annum (see below)
Plant, machinery and equipment :	10% per annum
Fixtures and fittings :	10% per annum
Office equipment and furniture :	20% per annum
Computer hardware and purchased software :	33% per annum

3. ACCOUNTING POLICIES *(continued)*

Depreciation *(continued)*

The Railway maintains its operating locomotives and other rolling stock items in full working order, and all routine maintenance costs are charged to the Statement of Financial Activities when incurred. Additionally, some items are held as a non-operating strategic reserve at their residual asset values. Locomotives and other rolling stock items are therefore considered to have indeterminate lives and the Directors do not consider it appropriate to charge depreciation except as set out below.

When a major renovation or restoration of a locomotive takes place, the relevant costs incurred are capitalised as fixed assets, and depreciated on a straight line basis from the point at which the locomotive re-enters service over its expected useful economic life (usually the ten-year life of a steam locomotive boiler ticket) down to the residual non-running value of the locomotive. When a major renovation or restoration takes place on a locomotive that remains the property of an independent owners' group and a long-term hire agreement is in place between the Charity's operating subsidiary and that owners' group, the costs incurred by the operating subsidiary are also capitalised as fixed assets and depreciated on a straight line basis over the expected useful economic life of that locomotive to the Charity.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Stocks

Stocks are measured at the lower of cost and net realisable value.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

3. ACCOUNTING POLICIES *(continued)*

Government grants *(continued)*

Grants receivable relating to Covid-19 are accounted for under the accrual method and recognised immediately as income in the Statement of Income and Retained Earnings.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in income or expenditure unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in the statement of financial activities in the period it arises, and is allocated to the appropriate expenditure heading.

3. ACCOUNTING POLICIES *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss. Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. LIMITED BY GUARANTEE

The charitable company is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

5. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2020 £**
DONATIONS			
Bequests and donations	330,849	148	**330,997**
GIFTS			
Membership subscriptions	57,875	–	**57,875**
GRANTS			
Grants receivable	402,749	–	**402,749**
	791,473	148	**791,621**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
DONATIONS			
Bequests and donations	34,167	1,266	35,433
GIFTS			
Membership subscriptions	62,675	–	62,675
GRANTS			
Grants receivable	41,817	–	41,817
	138,659	1,266	139,925

6. CHARITABLE ACTIVITIES

	Unrestricted Funds £	**Total Funds 2020 £**	Unrestricted Funds £	Total Funds 2019 £
Fares	131,917	**131,917**	549,936	549,936
Loco Hire	27,648	**27,648**	28,926	28,926
Special events income	362,220	**362,220**	719,510	719,510
	521,785	**521,785**	1,298,372	1,298,372

7. OTHER TRADING ACTIVITIES

	Unrestricted Funds £	**Total Funds 2020 £**	Unrestricted Funds £	Total Funds 2019 £
Catering income	82,938	**82,938**	222,950	222,950
Shop income	71,499	**71,499**	176,570	176,570
Parking	3,360	**3,360**	12,371	12,371
Filming fees	833	**833**	47,308	47,308
Adverts	213	**213**	726	726
Sundries	280	**280**	5,421	5,421
Apprentice scheme	2,090	**2,090**	41,747	41,747
Scrap	13,581	**13,581**	9,376	9,376
Photo permits	3,755	**3,755**	4,017	4,017
	178,549	**178,549**	520,486	520,486

8. INVESTMENT INCOME

	Unrestricted Funds £	**Total Funds 2020 £**	Unrestricted Funds £	Total Funds 2019 £
Bank interest receivable	3,008	**3,008**	7,391	7,391
Rent receivable	62,696	**62,696**	2,786	2,786
	65,704	**65,704**	10,177	10,177

9. COSTS OF OTHER TRADING ACTIVITIES

	Unrestricted Funds £	**Total Funds 2020 £**	Unrestricted Funds £	Total Fund 2019 £
Retail - purchases	50,370	**50,370**	131,665	131,665
Retail - wages	4,798	**4,798**	6,914	6,914
Catering – purchases	43,283	**43,283**	112,718	112,718
Catering - wages	134,665	**134,665**	82,839	82,839
Catering- overheads	31,379	**31,379**	26,624	26,624
	264,495	**264,495**	360,760	360,760

10. EXPENDITURE ON CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds	Restricted Funds	**Total Funds 2020**
	£	£	**£**
Train services	402,568	–	**402,568**
Support costs	711,362	–	**711,362**
	1,113,930	–	**1,113,930**

	Unrestricted Funds	Restricted Funds	Total Funds 2019
	£	£	£
Train services	804,487	29,287	833,774
Support costs	863,340	–	863,340
	1,667,827	29,287	1,697,114

11. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly	Support costs	**Total funds 2020**	Total fund 2019
	£	£	**£**	£
Train services	402,568	395,845	**798,413**	1,478,110
Shop	–	21,713	**21,713**	46,770
Catering	–	21,713	**21,713**	57,163
Fundraising activities	–	176,096	**176,096**	63,846
Other activities	–	84,835	**84,835**	40,447
Governance costs	–	11,160	**11,160**	10,778
	402,568	711,362	**1,113,930**	1,697,114

The support costs of £711,362 (2019 - £863,340) are apportioned in this note across the charitable and other trading activities in the group as set out above and in note 12.

12. ANALYSIS OF SUPPORT COSTS

	Train services	Shop	Catering	Fund raising activities	Other activities	**Total 2020**	Total 2019
	£	£	£	£	£	**£**	£
Staff costs	77,421	11,730	11,730	124,342	9,384	**234,607**	288,886
Premises	24,109	3,653	3,653	24,412	17,232	**73,059**	71,739
Communications and IT	7,803	1,182	1,182	–	13,477	**23,644**	27,485
General office	15,132	–	–	–	–	**15,132**	23,741
Governance costs	–	–	–	–	11,160	**11,160**	10,776
Insurance	16,806	2,546	2,546	–	29,029	**50,927**	55,888
Publicity	42,568	–	–	–	–	**42,568**	106,766
Bank charges	8,688	1,316	1,316	13,953	1,053	**26,326**	34,479
Sundry expenses	8,488	1,286	1,286	–	14,660	**25,720**	41,187
Depreciation	194,830	–	–	–	–	**194,830**	176,050
Push and Pull magazine	–	–	–	13,389	–	**13,389**	26,343
	395,845	21,713	21,713	176,096	95,995	**711,362**	863,340

13. TAXATION

Major components of tax expense

	2020	2019
	£	£
Current tax:		
UK current tax expense	**2,025**	–
Deferred tax:		
Origination and reversal of timing differences	**227,352**	–
Taxation	**229,377**	–

14. NET EXPENDITURE

Net expenditure is stated after charging/(crediting):

	2020	2019
	£	£
Amortisation of intangible assets	**3,333**	–
Depreciation of tangible fixed assets	**191,497**	176,050

15. AUDITORS REMUNERATION

	2020	2019
	£	£
Fees payable for the audit of the consolidated financial statements	**4,000**	4,000
Fees payable to the charity's auditor and its associates for other services:		
Audit of the financial statements of the subsidiary	**5,600**	5,500

16. STAFF COSTS

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2020	2019
	£	£
Wages and salaries	**394,815**	452,689
Social security costs	**27,722**	26,491
Employer contributions to pension plans	**9,203**	8,999
	431,740	488,179

16. STAFF COSTS *(continued)*

The average head count of employees during the year was 34 (2019: 40). The average number of full-time equivalent employees during the year is analysed as follows:

	2020 No.	2019 No.
Administration	7	8
Loco department	2	3
Loco department apprentices	–	3
Shop and catering	8	4
Summer seasonal staff	–	2
	17	20

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

17. TRUSTEE REMUNERATION AND EXPENSES

No remuneration or other benefits from employment with the charitable company or a related entity were received by the trustees during the current or previous year.

18. FINANCIAL PERFORMANCE OF THE CHARITY

	Unrestricted funds £	Restricted funds	Total funds 2020 £
Donations and grants received	604,308	148	604,456
Membership and other income	4,327	–	4,327
	608,635	148	608,783
Costs of generating voluntary income	15,211	–	15,211
Governance costs	4,048	–	4,048
Support costs	41,674	–	41,674
	60,933	–	60,933
Net movement in funds	547,702	148	547,850
Total funds Brought forward	4,311,129	5,544	4,316,673
Total funds carried forward	4,858,831	5,692	4,864,523

18. FINANCIAL PERFORMANCE OF THE CHARITY *(continued)*

	Unrestricted funds £	Restricted funds	Total funds 2019 £
Donations and grants received	97,852	890	98,742
Membership and other income	27,356	377	27,733
	125,208	1,267	126,475
Costs of generating voluntary income	26,923	–	26,923
Governance costs	5,098	–	5,098
Support costs	44,489	–	44,489
Donations	175,626	29,288	204,914
	252,136	29,288	281,424
Net movement in funds	(126,928)	(28,021)	(154,949)
Total funds Brought forward	4,438,057	33,565	4,471,622
Total funds carried forward	4,311,129	5,544	4,316,673

19. INTANGIBLE ASSETS

	Goodwill £
Cost	
Additions	–
Acquisitions through business combinations	**40,000**
At 31 December 2020	**40,000**
Amortisation	
Charge for the year	**3,333**
At 31 December 2020	**3,333**
Carrying amount	
At 31 December 2020	**36,667**
At 31 December 2019	–

20. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold property £	Fixtures & fittings £	Locomotives & rolling stock £	**Total £**
Cost					
At 1 January 2020	1,742,746	42,509	506,485	2,811,834	**5,103,574**
Additions	135,667	33,808	73,806	91,681	**334,962**
At 31 December 2020	1,878,413	76,317	580,291	2,903,515	**5,438,536**
Depreciation					
At 1 January 2020	21,784	22,860	376,548	477,604	**898,796**
Charge for the year	22,327	3,669	40,282	125,219	**191,497**
At 31 December 2020	44,111	26,529	416,830	602,823	**1,090,293**
Carrying amount					
At 31 December 2020	1,834,302	49,788	163,461	2,300,692	**4,348,243**
At 31 December 2019	1,720,962	19,649	129,937	2,334,230	4,204,778

	2020 £	2019 £
Leasehold land and buildings comprise of		
Keighley Station - cost	**42,509**	42,509
Cafe Choux Choux - cost	**33,808**	–
Amortisation to date	**(26,529)**	(22,860)
	49,788	19,649

20. TANGIBLE FIXED ASSETS *(continued)*

Charitable company

	Freehold property £	Long leasehold property £	Fixtures & fittings £	Locomotives & rolling stock £	**Total £**
Cost					
At 1 January 2020	770,889	–	–	196,287	**967,176**
Additions	79,814	1,412	87,009	1,196,654	**1,364,889**
	850,703	1,412	87,009	1,392,941	**2,332,065**
Depreciation					
At 1 January 2020	12,818	–	–	33,000	**45,818**
Charge for the year	14,474	36	10,428	7,223	**32,161**
	27,292	36	10,428	40,223	**77,979**
At 31 December 2020	823,411	1,376	76,581	1,352,718	**2,254,086**
At 31 December 2019	758,071	–	–	163,287	**921,358**

21. INVESTMENT ENTITIES

Subsidiaries and other investments

There are no investments outside the UK.

The charitable company's investments at the balance sheet date of £1,857,183 is included in these consolidated accounts at cost and comprise:

Keighley and Worth Valley Light Railway Ltd

Country of incorporation	England and Wales (company number 00870851)
Registered office	The Railway Station Station Road Haworth BD22 8NJ
Nature of business	Operation of the Keighley and Worth Valley Railway
Class of shares	Ordinary

There is a minority interest in the subsidiary, Keighley and Worth Valley Light Railway Ltd, consisting of 164 ordinary shares of £10 each. These shares do not entitle the holder to a dividend or voting rights. On winding up of the company they would be entitled to a maximum of the nominal value. The Charity holds 100% of all shares entitled to voting rights and dividends.

21. INVESTMENT ENTITIES *(continued)*

	2020	2019
	£	£
Summary of trading results		
Turnover	**696,064**	1,812,633
Total expenditure	**(1,317,497)**	(2,003,505)
Other operating income	**269,756**	70,396
Other income	**3,008**	7,391
Taxation	**(229,377)**	–
Loss for the year	**(578,046)**	(113,085)
Assets	**2,207,286**	3,609,132
Liabilities	**(984,764)**	(3,388,677)
Summary of assets and liabilities	**1,222,522**	220,455

22. STOCKS

	2020	2019
	£	£
Retail shop stock	**73,735**	98,057

23. DEBTORS

	2020	2019
	£	£
Trade debtors	**39,853**	31,291
Prepayments and accrued income	**49,145**	207,015
Other debtors	**34,633**	34,727
	123,631	273,033

Charitable company

	2020	2019
	£	£
Trade debtors	**32,497**	147
Amounts owed by subsidiary undertaking	**251,784**	2,880,253
VAT	**2,239**	1,319
	286,520	2,881,719

The amounts owed by the subsidiary undertaking are unsecured and repayable on demand.

24. CREDITORS: amounts falling due within one year

	2020	2019
	£	£
Bank loans and overdrafts	**5,833**	–
Trade creditors	**74,587**	148,788
Accruals and deferred income	**61,834**	95,738
Corporation tax	**2,025**	–
Social security and other taxes	**10,602**	6,798
Sundry creditors	**51,503**	–
	206,384	251,324

Charitable company

	2020	2019
	£	£
Trade creditors	**4,864**	7,493
Accrual and deferred income	**24,741**	25,185
	29,605	32,678

25. CREDITORS: amounts falling due after more than one year

	2020	2019
	£	£
Bank loans and overdrafts	**44,167**	–
Accruals and deferred income	**125,508**	110,658
	169,675	110,658

Included within creditors: amounts falling due after more than one year is an amount of £4,167 (2019: £Nil) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

26. DEFERRED INCOME

	2020	2019
	£	£
At 1 January 2020	**172,291**	215,048
Amount released to income	**(172,291)**	(215,048)
Amount deferred in year	**161,150**	172,291
At 31 December 2020	**161,150**	172,291

26. DEFERRED INCOME *(continued)*

At the balance sheet date the Keighley & Worth Valley Railway Preservation Society Limited held funds received in advance which all relate to monies in advance for the 2021 financial year as follows:

	2020	2019
	£	£
Subscriptions paid in advance	**20,741**	21,185
Deposits for events received in advance	**–**	26,148
Grant income received in advance	**140,409**	124,958
	161,150	172,291

27. DEFERRED TAX

The deferred tax included in the statement of financial position is as follows:

	2020	2019
	£	£
Included in provisions (note 28)	**227,352**	–

The deferred tax account consists of the tax effect of timing differences in respect of:

	2020	2019
	£	£
Accelerated capital allowances	**227,352**	–

28. PROVISIONS

	Deferred tax (note 27)
	£
At 1 January 2020	**–**
Additions	**227,352**
At 31 December 2020	**227,352**

29. PENSIONS AND OTHER POST RETIREMENT BENEFITS

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £9,203 (2019: £8,999).

30. ANALYSIS OF CHARITABLE FUNDS

Group

Unrestricted funds

	1 Jan 2020	Income	Expenditure	**31 Dec 2020**
	£	£	£	**£**
General funds	4,677,745	1,557,511	(1,607,802)	**4,627,454**

	1 Jan 2019	Income	Expenditure	31 Dec 2019
	£	£	£	£
General funds	4,738,638	1,967,694	(2,028,587)	4,677,745

Charitable company

	1 Jan 2020	Income	Expenditure	**31 Dec 2020**
	£	£	£	**£**
General funds	4,311,129	608,635	(60,933)	**4,858,831**

	1 Jan 2019	Income	Expenditure	31 Dec 2019
	£	£	£	£
General funds	4,438,057	125,208	(252,136)	4,311,129

Restricted funds

Group and charitable company

	1 Jan 2020	Income	Expenditure	**31 Dec 2020**
	£	£	£	**£**
41241 Ivatt	5,105	148	–	**5,253**
Engine 43924	439	–	–	**439**
Co-op Playground	–	–	–	–
	5,544	148	–	**5,692**

	1 Jan 2019	Income	Expenditure	31 Dec 2019
	£	£	£	£
41241 Ivatt	30,964	1,253	(27,112)	5,105
Engine 43924	439	–	–	439
Co-op Playground	2,162	13	(2,175)	–
	33,565	1,266	(29,287)	5,544

Restricted funds relate to appeals for restoration work on specific locomotives as details above.

31. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2020 £**
Intangible assets	36,667	–	**36,667**
Tangible fixed assets	4,348,243	–	**4,348,243**
Current assets	845,955	5,692	**851,647**
Creditors less than 1 year	(206,384)	–	**(206,384)**
Creditors greater than 1 year	(169,675)	–	**(169,675)**
Provisions	(227,352)	–	**(227,352)**
Net assets	4,627,454	5,692	**4,633,146**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Intangible assets	–	–	–
Tangible fixed assets	4,204,778	–	4,204,778
Current assets	834,949	5,544	840,493
Creditors less than 1 year	(251,324)	–	(251,324)
Creditors greater than 1 year	(110,658)	–	(110,658)
Provisions	–	–	–
Net assets	4,677,745	5,544	4,683,289

32. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2020 £	Cash flows £	**At 31 Dec 2020 £**
Cash at bank and in hand	469,403	184,878	**654,281**
Debt due within one year	–	(5,833)	**(5,833)**
Debt due after one year	–	(44,167)	**(44,167)**
	469,403	134,878	**604,281**

33. OPERATING LEASE COMMITMENTS

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2020	2019
	£	£
Not later than 1 year	**24,762**	2,920
Later than 1 year and not later than 5 years	**92,723**	8,273
Later than 5 years	**96,750**	–
	214,235	11,193

34. RELATED PARTIES

Keighley & Worth Valley Railway Trust - The trustees of the Keighley & Worth Valley Railway Trust are appointed by the trustees of The Keighley and Worth Valley Railway Preservation Society Limited.

During the year, the Keighley and Worth Valley Light Railway Limited received grants amounting to £45,073 (2019 - £61,150) from The Keighley and Worth Valley Railway Trust of which £15,073 (2019 - £23,150) has been recognised in the profit and loss account with an additional £14,550 (2019 - £13,667) released from deferred income. The remaining grants of £30,000 (2019 - £38,000) have been deferred over the life of the assets to which it relates. Total grants of £140,408 (2019 - £124,958) relating to fixed assets are included in deferred income.