

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

England & Wales · Charity number 280918

Details

Other names	ISLE OF WIGHT STEAM RAILWAY
Status	Registered
Legal form	Charitable company
Company number	01068690
Registered	1981-11-13
Register	View on the Charity Commission register

Contact

Address	Isle Of Wight Railway Co Ltd The Railway Station Station Road Havenstreet Ryde PO33 4DS
Phone	01983882204
Email	havenstreet@iwsteamrailway.co.uk
Website	www.iwsteamrailway.co.uk

Activities

Objects: TO ADVANCE PUBLIC EDUCATION IN THE HISTORY AND DEVELOPMENT OF RAILWAY LOCOMOTION ON THE ISLE OF WIGHT.

Activities: Operates a 5 mile heritage steam railway on a part of the former Ryde to Newport railway line.

Classification

- **How:** Acts As An Umbrella Or Resource Body
- **What:** Education/training
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** ISLE OF WIGHT
- Isle Of Wight

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£3,259,994	£3,103,261	£5,829,116	43
2023-12-31	£3,161,268	£2,741,577	£5,672,383	42
2022-12-31	£2,681,873	£2,373,607	£5,252,692	45
2021-12-31	£2,564,838	£1,969,144	£4,888,345	44
2020-12-31	£1,463,691	£1,529,292	£4,293,594	35

Trustees

Name	Role	Appointed
PETER TAYLOR	Chair	2020-01-01
Edward Charles Day		2025-08-30
Gary Peverley		2025-08-30
Graham Michael Deegan		2021-07-17
Iain Edwin Whitlam		2012-10-09
Isaac Matthew Farnbank		2022-06-11
John Denis Woodhams		2023-06-17
Kenneth Laird		2024-06-29
MALCOLM HYATT SMITH		2017-05-20
Mark Ian Flynn		2024-01-02
Michelle Joy Pardington		2024-06-29
NICK FELTON		2017-05-20
STEPHEN MICHAEL OATES		
STUART DUDDY		2012-10-09
Ton Barry		2018-05-19

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

England & Wales - Charity number 280918

Accounts

Charity registration number 280918 (England and Wales)

Company registration number 1068690

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr A J Barry Mrs L C Buckman Mr G M Deegan Mr S Duddy Mr I M Farnbank Mr G N Felton Mr M I Flynn Mr K Laird Mr S M Oates Ms M J Pardington Mr C I Price Mr M H Smith Mr P Taylor Mr I Whitlam Mr J D Woodhams	(Appointed 2 January 2024) (Appointed 29 June 2024) (Appointed 29 June 2024) (Appointed 18 April 2025)
Secretary	Mr I Whitlam	
Charity number (England and Wales)	280918	
Company number	1068690	
Registered office	The Railway Station Havenstreet Ryde Isle of Wight PO33 4DS	
Auditor	Moore (South) LLP 33 The Clarendon Centre Salisbury Business Park Dairy Meadow Lane Salisbury Wiltshire SP1 2TJ	
Bankers	Lloyds Bank Plc Newport 22 St Thomas Square Newport Isle of Wight PO30 1SQ	
Solicitors	Eldridges Solicitors 36 St James Street Newport Isle of Wight PO30 1LF	

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

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THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees presents its annual report and financial statements for the year ended 31 December 2024.

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

Objectives and activities

The principal activity of the group in the year under review continued to be the retention, preservation, restoration and operation of a portion of the railways in the Isle of Wight as a permanent exhibition and working museum for the advancement of technical, historical and general education. The Railway is accredited as a museum by Arts Council England.

Public benefit

The trustees has paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake. The Trustees understand the requirements set out in Section 17(5) of the Charities Act 2011 and take the view that The Isle of Wight Railway Company Limited, also known as The Isle of Wight Steam Railway, completely satisfies all guidance issues by the Charity Commission with respect to public benefit.

Volunteers

The charity is very grateful for the significant work contributed by volunteers and for the donations received both for specific projects and general funds. The trustees also wish to acknowledge with thanks the bequests the charity has received from the wills of members and friends of the Railway who have sadly passed away.

Achievements and performance

Significant activities and achievements against objectives

The Railway had a more challenging year of trading and operation in 2024, with a drop in visitor numbers to the Island and general economic pressures. Additionally, changes to employment costs including the national minimum wage, and the rising cost of supplies has increased costs, with additional employment costs not abating into 2025.

Mitigations going forward include a review of staffing resources, developing more business within the local Island market, increasing dwell time on site and growing secondary spend.

There were three significant safety or compliance events throughout 2024, all of which were notified to the appropriate authorities.

Fundraising practices

The Railway does not employ or contract a professional fundraiser; a Partnerships and Fundraising Officer was employed on a temporary six-month contract during 2024.

Financial review

Total income for the charity for the year amounted to £2,600,231 (£2,550,111 in 2023). Expenditure on raising funds amounted to £850,445 (£679,323 in 2023), charitable activities direct costs £1,434,654 (£1,329,429 in 2023), charitable activities' share of support and governance costs £132,904 (£128,929 in 2023), other expenditure £4,834 (£3,167 in 2023) The overall surplus for the year was £177,394 (£409,263 in 2023).

An Extraordinary General Meeting was held in December 2024 to appoint Moore (South)LLP as the company's auditors, who have conducted the audit of these accounts.

Following the audit process they have drawn to the attention of the company a number of longstanding practices which, in their opinion, do not comply with current best practice. They are also recommending several longstanding financial policies are reviewed. A Finance Working Group has been established to oversee the Railway's finances and make recommendations to the Board. The group consists of senior managers, trustees and outside financial experts.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Going concern

At the time of approving the financial statements, the trustees has a reasonable expectation that the group and the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements. This assessment has been made following a review of budgets prepared for the next twelve months, current performance and cashflow modelling that maintain the trustees' position that the group continues to be a going concern.

Reserves policy

The current policy of the charitable company is to maintain unrestricted funds, which are the free reserves of the charitable company, at a level which equates to approximately four months unrestricted expenditure in order to avoid operating cashflow problems. The auditors in their evaluation of our accounting procedures have recommended that this policy is reviewed. The overall reserves of the charity held on 31 December 2024 amounted to £5,700,368 of which £188,915 are held for restricted purposes. Reserves of £3,560,489 are held as fixed assets including investments, £754,242 of reserves relating to legacies received have been designated for specific purposes by trustees, and £141,216 has been designated towards work required for the Train Story 2 project. This leaves £1,055,506 of free, unrestricted reserves.

This level of free reserves is considered by the trustees to be sufficient to meet the reserves policy set out above.

Of designated funds approximately £145,000 will be spent during 2025/6 on the completion of the E1 restoration project. Ashley Station and an adjoining parcel of land were purchased for £675,000 in April 2025, utilising a £300k commercial mortgage and the balance from reserves.

This level of reserves has been maintained throughout the year.

Principal funding sources

The charity's principal funding sources continue to be from donations and membership income, shop sales, catering, ticket sales and other special events income. The charity has also benefitted from grant funding of £50k for the new playground although this was spent in 2025. Once the cost of generating these funds has been deducted the majority of the remaining funds are used in support of the charity's key objectives.

Investment policy

Under the charity's governing document, the trustees have the power to invest the monies of the charitable company not immediately required, in any such manner as the trustees may from time to time determine.

Major risks

The trustees have examined the major strategic business and operational risks which the charitable company faces and confirms that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lower those risks as far as is reasonably practical.

The trustees are conscious of the risks posed by economic uncertainty, the increases to cost of living and rises in minimum wages and National Insurance contributions. The Isle of Wight as a whole has suffered a downturn in popularity as a tourist destination in recent years, a market the Railway has relied upon heavily in the past. Actions are set out above in the Achievements and Performance section to address these challenges.

The Trustees have adopted a strategy to continue to manage costs robustly while investing in revenue generation through additional and improved marketing and capital investment in facilities to generate increased secondary spend.

Plans for future periods

The Trustees have begun a restructuring of the organisation in terms of staffing, management and governance to deliver a more strategic approach and streamline the business operation. They will also identify better and wider utilisation of volunteers to ensure that our paid staff are utilised where required, effectively and efficiently.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Structure, governance and management

The Isle of Wight Railway Company Limited is constituted under its Memorandum and Articles of Association and is a registered charity no. 289018. It was incorporated on 13 August 1972. Its subsidiary, IWR Trading Limited was incorporated on 1 December 1992.

The Isle of Wight Railway Company Limited is a registered charitable company limited by guarantee, not having any share capital. Members guarantee to pay during their membership and within one year after they cease to be a member, in the event of a winding up order, a sum not exceeding five pounds for payment of debts and liabilities contracted by the charitable company before they ceased to be a member.

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

Mr A J Barry	
Mrs L C Buckman	
Mr G M Deegan	
Mr S Duddy	
Mr I M Farnbank	
Mr G N Felton	
Mr M I Flynn	(Appointed 2 January 2024)
Mr S Futcher	(Resigned 29 June 2024)
Mr K Laird	(Appointed 29 June 2024)
Mr S M Oates	
Ms M J Pardington	(Appointed 29 June 2024)
Mr C I Price	(Appointed 18 April 2025)
Mr S M Smart	(Resigned 29 June 2024)
Mr M H Smith	
Mr P Taylor	
Mr P G Vail	(Resigned 20 January 2025)
Mr I Whitlam	
Mr J D Woodhams	

Recruitment and appointment of trustees

Any fully paid-up member of the charitable company may put their name forward for membership of the Board subject to compliance with article 33 (d) (i) of the company's Articles of Association. In addition, the Board has the right to invite fully paid-up members to put their names forward. Elections to the Board are subject to a confidential vote of members at the company's Annual General Meeting. Those members unable to attend may vote by proxy. The Board also has the right to co-opt additional members onto the Board at any time during the year to fill vacancies, but these nominees will then be subject to the election process at the subsequent Annual General Meeting. Matters relating to the membership of the Board are fully covered in articles 31-37 of the charitable company's Articles of Association.

An induction is provided to new trustees by the Company Secretary. Development and training for trustees is provided throughout their term of office where needs are identified. The process for the selection and recruitment of new trustees is currently under review with the view of increasing diversity.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Organisational structure

The Board has the responsibility for establishing policy. Delivery of these policy decisions is the responsibility of a Chief Executive, who works with the charitable company's Heads of Department who cover the following operations: rolling stock, rail infrastructure, estates, health and safety, operating, retail and catering, marketing, heritage and learning, finance, human resources and administration. An organisational review process was started during 2024 with a view to streamlining the organisation by 2026. All staff and volunteers working within these departments are responsible to their Head of Department. A management structure exists whereby all Heads of Department currently report to the Chief Executive, who in turn is responsible to the Board.

M Morgan-Huws was appointed Chief Executive with effect from 1 July 2024 following a six-month period as Interim General Manager.

Pay and remuneration for all staff, including key management personnel, is determined by the Board ahead of the start of the financial year. The Board considers the rate of inflation and local and sector market rates. Variations may be made during the year to reflect recruitment requirements or arising from changes to individual posts.

Other matters

COMPANY SUSTAINABILITY STATEMENT

The Railway recognises that, as a responsible organisation, it has both moral and legal obligations to act in a sustainable manner to reduce where possible and practical, its impact on the wider environment.

It aims to do so by minimising its consumption of natural resources, effective and efficient use of those resources, reducing waste generation and repurposing and recycling of waste where possible, thereby reducing its impact on the natural environment, promoting biodiversity on its land holding and minimising pollution in all forms arising from its operations.

Disclosure of information to auditor

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

Statement of trustees' responsibilities

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

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

In preparing these financial statements, the trustees is required to:

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

The trustees is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that the financial statements comply with the Companies Act 2006. It is 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.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

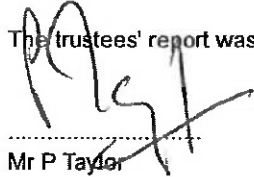
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Auditor

In accordance with the company's articles, a resolution proposing that Moore (South) LLP be reappointed as auditor of the company will be put at a General Meeting.

The trustees' report was approved by the Trustees.



Mr P Taylor

Date: 19 August 2025

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

Opinion

We have audited the financial statements of The Isle of Wight Railway Company Limited (the 'charity') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the 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 financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the 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 financial statements and our auditor's report thereon. The trustees is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees is 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the accounts due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

Our approach was as follows:

- The engagement partner selected staff for the audit, led by persons who it was deemed had sufficient experience and who had the required competence and skills to be able to identify or recognise non-compliance with laws and regulations.
- We obtained an understanding of the legal and regulatory requirements applicable to the charity and we considered the most significant to be the Charities Act 2011, the Companies Act 2006 the Charity SORP, UK financial reporting standards as issued by the Financial Reporting Council, UK tax legislation and the Office of Road and Rail.
- We obtained an understanding of how the charity is complying with these frameworks by making enquiries of those charged with governance and senior management that are charged with responsibility for ensuring legal and regulatory compliance is adhered to. We enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur, and the inherent difficulty in detecting irregularities by holding discussions with management and those charged with responsibility for ensuring legal and regulatory compliance is adhered to and considered the internal controls in place to mitigate identified risks. As a result, a fraud risk was identified relating to management override.
- In addition to the possibility of management override of controls, areas considered higher risk relating to the presentation of information in the financial statements included the recognition of revenue and identification and appropriate disclosure of related party transactions.
- We assessed the control environment, documenting the systems, controls and processes adopted and undertook an assessment of risk identified in designing our audit approach which incorporates a combination of controls testing, where appropriate, analytical review and substantive procedures involving tests of transactions and balances. Any irregularities noted were discussed with management and those charged with governance and we obtained additional corroborative evidence as required.

To address the risk of fraud through management override we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify any unusual transactions;
- tested items of expenditure to ensure that they were valid and correctly allocated in the nominal ledger, and;
- reviewed restricted expenditure to ensure funds were spent in line with the terms of the applied restriction.

In response to the risk of irregularities with regards to completeness of income we:

- completed analytical work to evaluate inconsistencies and significant variances in income streams;
- reviewed third party documentation to confirm that relevant entries were reflected in the accounting records;
- reviewed transactions before and after the year end to ensure they had been allocated to the correct period, and;
- reviewed fund balances for any misallocation of income sources.

In response to the risk of irregularities with regards to non-disclosure of related parties we:

- reviewed trustee's declaration of interests for mention of possible related parties;
- performed searches of public registers for any related parties associated with trustees;
- agreed disclosures to source records, including approval; and
- reviewed minutes of meetings for mention of any potential related party.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

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.

Use of our report

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



Robert MacDonald (Senior Statutory Auditor)

For and on behalf of Moore (South) LLP, Statutory Auditor

Chartered Accountants

33 The Clarendon Centre

Salisbury Business Park

Dairy Meadow Lane

Salisbury

Wiltshire

SP1 2TJ

23 August 2025

Moore (South) LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
	Notes						
Income and endowments from:							
Donations and legacies	3	464,096	123,731	587,827	611,805	77,055	688,860
Charitable activities	4	1,344,318	-	1,344,318	1,287,834	8,610	1,296,444
Other trading activities	5	451,802	-	451,802	396,451	-	396,451
Investments	6	57,327	-	57,327	30,634	-	30,634
Other income	7	158,957	-	158,957	137,722	-	137,722
Total income		2,476,500	123,731	2,600,231	2,464,446	85,665	2,550,111
Expenditure on:							
Raising funds	8	843,781	6,664	850,445	676,873	2,450	679,323
Charitable activities	9	1,514,809	52,749	1,567,558	1,402,312	56,046	1,458,358
Other expenditure	14	4,834	-	4,834	3,167	-	3,167
Total expenditure		2,363,424	59,413	2,422,837	2,082,352	58,496	2,140,848
Net income		113,076	64,318	177,394	382,094	27,169	409,263
Transfers between funds		24,578	(24,578)	-	57,658	(57,658)	-
Net movement in funds	11	137,654	39,740	177,394	439,752	(30,489)	409,263
Reconciliation of funds:							
Fund balances at 1 January		5,373,799	149,175	5,522,974	4,934,047	179,664	5,113,711
Fund balances at 31 December		5,511,453	188,915	5,700,368	5,373,799	149,175	5,522,974

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	16		3,175,370		3,039,360
Heritage assets	17		385,119		218,047
Investments	18		10,000		10,000
			<u>3,570,489</u>		<u>3,267,407</u>
Current assets					
Stocks	20	32,043		36,423	
Debtors	21	526,601		245,010	
Cash at bank and in hand		1,803,138		2,195,957	
		<u>2,361,782</u>		<u>2,477,390</u>	
Creditors: amounts falling due within one year	22	(231,903)		(221,823)	
Net current assets			<u>2,129,879</u>		<u>2,255,567</u>
Total assets less current liabilities			<u>5,700,368</u>		<u>5,522,974</u>
The funds of the charity					
Restricted income funds	24		188,915		149,175
Unrestricted funds	25		5,511,453		5,373,799
			<u>5,700,368</u>		<u>5,522,974</u>

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

The financial statements were approved by the board of trustees on 19 August 2025

Mr P. Taylor

Company registration number 1068690 (England and Wales)

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from operations	32		116,318		664,181
Investing activities					
Purchase of tangible fixed assets		(363,928)		(411,294)	
Proceeds from disposal of tangible fixed assets		2,895		-	
Purchase of heritage assets		(205,431)		(54,869)	
Investment income received		57,327		30,634	
Net cash used in investing activities			(509,137)		(435,529)
Net cash generated from financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(392,819)		228,652
Cash and cash equivalents at beginning of year			2,195,957		1,967,305
Cash and cash equivalents at end of year			<u>1,803,138</u>		<u>2,195,957</u>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

The Isle of Wight Railway Company Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is The Railway Station, Havenstreet, Ryde, Isle of Wight, PO33 4DS.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Charitable funds

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

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

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

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Grants are recognised when unconditional entitlement to the income is passed to the charitable company. Where there are performance related terms and conditions that must be met before unconditional entitlement passes to the charitable company, the income is recognised once it is highly probable that these will be met, or it is carried forward to the next accounting period. Where no such conditions exist the income is recognised when it is received.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives using the reducing balance method unless otherwise stated:

Freehold land	Not depreciated
Freehold property	3% per annum
Improvements to property	20% per annum
Tools & Equipment	25% per annum
Permanent way	5% per annum
Office Equipment	20% per annum
Motor vehicles	25% per annum

Assets in the course of construction are not depreciated until the asset is brought into use.

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

1.7 Heritage assets

It is the charity's policy not to capitalise any heritage assets where it is not possible to place any reliable value on them.

All heritage assets that can be reliably valued are included on the balance sheet at cost or valuation less accumulated depreciation.

The depreciation policies for the heritage assets are as follows on a straight line basis;

No.38, Barclay 0-6-0T Ajax	10% per annum on cost from date brought into service
Ivatt Engines overhaul costs	10% per annum on cost from date brought into service
Drewry Railcar	5% per annum on cost from date brought into service
Island Heritage Locomotives Overhaul Costs	10% per annum on cost from date brought into service

Assets being overhauled or in the course of construction are not depreciation until the asset is brought into use.

The charity has a collection of working steam locomotives and rolling stock, which are held to support their objectives of education and maintenance of the Isle of Wight Steam Railway. The trustees do not consider that reliable cost or valuation can be obtained for the majority of the locomotives in their collection, due to the rarity and lack of liquid market for them. The charity does not therefore recognise these assets on the balance sheet.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.8 Fixed asset investments

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

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

1.9 Impairment of fixed assets

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

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

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

1.11 Cash and cash equivalents

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

1.12 Financial instruments

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

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

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

Basic financial assets

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.13 Employee benefits

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

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

1.14 Retirement benefits

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

2 Critical accounting estimates and judgements

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

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

3 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	171,112	123,731	294,843	166,341	77,055	243,396
Legacies	253,258	-	253,258	427,675	-	427,675
Grants	39,726	-	39,726	17,789	-	17,789
	<u>464,096</u>	<u>123,731</u>	<u>587,827</u>	<u>611,805</u>	<u>77,055</u>	<u>688,860</u>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

4 Income from charitable activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Ticket sales						
Ticket sales	1,285,093	-	1,285,093	1,253,842	-	1,253,842
Other income	3,734	-	3,734	-	-	-
Membership subscriptions						
Other income	55,491	-	55,491	33,992	8,610	42,602
	<u>1,344,318</u>	<u>-</u>	<u>1,344,318</u>	<u>1,287,834</u>	<u>8,610</u>	<u>1,296,444</u>

Membership subscriptions are recognised evenly over twelve months from the date the membership was taken out. During the previous year, it was identified that these had not been deferred correctly. The effect was not sufficient to require an adjustment to the results, therefore the previous year membership figures appear lower than actual membership numbers for that year.

5 Income from other trading activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Fundraising events	440,875	367,601
Other income	10,927	28,850
Other trading activities	<u>451,802</u>	<u>396,451</u>

6 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Interest receivable	<u>57,327</u>	<u>30,634</u>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

7 Other income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from trading subsidiary	158,957	137,722

8 Expenditure on raising funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fundraising and publicity						
Financial costs	18,075	-	18,075	16,967	-	16,967
Special events	103,813	-	103,813	88,471	-	88,471
Volunteer department expenses	13,157	-	13,157	15,224	-	15,224
Advertising	176,704	-	176,704	117,753	-	117,753
Other fundraising costs	68,682	6,664	75,346	41,798	2,450	44,248
Staff costs	168,543	-	168,543	111,888	-	111,888
Depreciation and impairment	47,537	-	47,537	50,700	-	50,700
Support costs	247,270	-	247,270	234,072	-	234,072
	<u>843,781</u>	<u>6,664</u>	<u>850,445</u>	<u>676,873</u>	<u>2,450</u>	<u>679,323</u>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

9 Expenditure on charitable activities

	Railway infrastructure and rolling stock			Railway infrastructure and rolling stock		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	funds	funds		funds		
	2024	2024	2024	2023	2023	2023
	£	£	£	£	£	£
Direct costs						
Staff costs	665,097	16,104	681,201	602,263	45,881	648,144
Depreciation and impairment	211,011	-	211,011	183,009	-	183,009
Rolling Stock and infrastructure running costs	277,105	-	277,105	254,706	-	254,706
Rolling Stock refurb	37,525	-	37,525	17,838	-	17,838
Sundry	26,631	-	26,631	5,939	-	5,939
Operating costs	9,179	-	9,179	2,760	-	2,760
Printing, posting and stationery	227	-	227	531	-	531
Repairs & Maintenance	78,857	22,022	100,879	158,177	10,165	168,342
Cleaning	5,483	-	5,483	5,716	-	5,716
Legal & Professional	16,040	-	16,040	350	-	350
IRN Membership	27,884	-	27,884	25,476	-	25,476
Audit and accountancy	15,815	-	15,815	8,230	-	8,230
Museum expenditure	11,051	14,623	25,674	8,388	-	8,388
	<u>1,381,905</u>	<u>52,749</u>	<u>1,434,654</u>	<u>1,273,383</u>	<u>56,046</u>	<u>1,329,429</u>
Share of support and governance costs (see note 10)						
Support	132,904	-	132,904	128,929	-	128,929
	<u>1,514,809</u>	<u>52,749</u>	<u>1,567,558</u>	<u>1,402,312</u>	<u>56,046</u>	<u>1,458,358</u>
Analysis by fund						
Unrestricted funds	1,514,809	-	1,514,809	1,402,312	-	1,402,312
Restricted funds	-	52,749	52,749	-	56,046	56,046
	<u>1,514,809</u>	<u>52,749</u>	<u>1,567,558</u>	<u>1,402,312</u>	<u>56,046</u>	<u>1,458,358</u>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

10 Support costs allocated to activities

	2024 £	2023 £
Staff costs	144,263	141,431
Insurance	85,878	76,938
Printing, post and stationery	19,218	15,413
Heat, light and water	94,329	91,206
Telephone	10,063	8,890
Rates	5,291	4,377
Health and Safety	1,132	4,746
Rent	20,000	20,000
	<u>380,174</u>	<u>363,001</u>
Analysed between:		
Fundraising	247,270	234,072
Railway infrastructure and rolling stock	132,904	128,929
	<u>380,174</u>	<u>363,001</u>

11 Net movement in funds

	2024 £	2023 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	12,000	8,230
Depreciation of owned tangible fixed assets	220,189	199,291
Depreciation of heritage assets	38,359	34,418
Loss on disposal of tangible fixed assets	4,834	3,167
	<u>275,382</u>	<u>245,106</u>

12 Trustees

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

13 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
	43	40
	<u>43</u>	<u>40</u>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

13 Employees	(Continued)	
	2024	2023
Employment costs	£	£
Wages and salaries	920,315	845,715
Social security costs	59,389	44,341
Other pension costs	14,303	11,407
	<u>994,007</u>	<u>901,463</u>

There were no employees whose total employee benefits (excluding employer pension contributions) within the reporting period was more than £60,000.

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2024	2023
	£	£
Aggregate earnings	<u>98,425</u>	<u>83,926</u>

The key management personnel of the charity comprise the Chief Executive and Chief Finance Officer.

14 Other expenditure

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Net loss on disposal of tangible fixed assets	<u>4,834</u>	<u>3,167</u>

15 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

16 Tangible fixed assets

	Freehold land & Property £	Improvements to property £	Tools & Equipment £	Office Equipment £	Motor vehicles £	Total £
Cost						
At 1 January 2024	2,788,415	883,962	1,442,849	130,826	181,099	5,427,151
Additions	98,528	82,318	137,370	17,735	27,977	363,928
Disposals	-	-	(24,759)	(3,152)	(11,025)	(38,936)
At 31 December 2024	2,886,943	966,280	1,555,460	145,409	198,051	5,752,143
Depreciation and impairment						
At 1 January 2024	716,937	727,039	797,469	77,682	68,664	2,387,791
Depreciation charged in the year	51,006	47,849	73,797	13,984	33,553	220,189
Eliminated in respect of disposals	-	-	(23,932)	(2,452)	(4,823)	(31,207)
At 31 December 2024	767,943	774,888	847,334	89,214	97,394	2,576,773
Carrying amount						
At 31 December 2024	2,119,000	191,392	708,126	56,195	100,657	3,175,370
At 31 December 2023	2,071,478	156,923	645,380	53,144	112,435	3,039,360

Assets in the course of construction amounted to £227,606 at the year end. £202,074 is included within Freehold property and £25,532 is included within Permanent way, tools, equipment.

17 Heritage assets

	Island Heritage Locomotive Overhaul Costs £	Ajax £	Ivatts £	Drewry £	Total £
Cost					
At 1 January 2024	-	45,478	309,644	123,944	479,066
Additions	136,077	-	-	69,354	205,431
At 31 December 2024	136,077	45,478	309,644	193,298	684,497
At 1 January 2024	-	45,478	205,179	10,362	261,019
Depreciation charged in year	3,941	-	30,964	3,454	38,359
At 31 December 2024	3,941	45,478	236,143	13,816	299,378
Carrying amount					
At 31 December 2024	132,136	-	73,501	179,482	385,119
At 31 December 2023	-	-	104,465	113,582	218,047

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

17 Heritage assets

(Continued)

There are heritage assets in the course of construction at the year end amounting to £166,020. £96,666 is included within Island Heritage Locomotive Overhaul costs relating to E1 W2 Yarmouth and W8 Freshwater and £69,354 is included within the Dewry relating to a trailer car build.

The trustees consider Heritage Assets to comprise locomotives, coaches, wagons, infrastructure and artefacts which were or could have been a part of the Isle of Wight railway system and emanating from one or more of the following: (1) the Island's pre-Grouping railway companies, (2) The Southern Railway, (3) British Railways Southern Region, (4) their successor organisations. The collection consists of fifteen locomotives (12 steam, 3 diesel), details of which can be found on the charity's website: <http://iwsteamrailway.co.uk/heritage/our-rolling-stock/locomotives/>. These locomotives are used to transport the public, in furtherance of the charity's objectives.

Two locomotives, Ivatt 46447 and Austerity Juno are on contracted loans to the East Somerset Railway and National Railway Museum respectively. Some other locomotive assets are occasionally loaned out on a short term basis to other steam railways or if suitable promotional opportunities arise. The remainder of the collection, when not in use, are maintained and mostly stored in the Train Story facility at the Isle of Wight Steam Railway.

It is not possible to get a reliable estimate of the value of the collection. There are three locomotives reported on the balance sheet, Ajax, Ivatt 41313 and Ivatt 46447. The remaining locomotives are not reported on the balance sheet as their valuation cannot be readily assessed in accordance with accounting policy 2c. Ajax was purchased and therefore was included in the balance sheet at this cost. Ivatt 41313 and 46447 were donated to the Isle of Wight Steam Railway by the Ivatt Locomotive Trust and the only amounts capitalised are the costs of bringing the assets into working condition as the value of the assets cannot be readily assessed. These costs are considered by the trustees to have a useful life of 10 years, the time until the next overhaul is required.

The locomotives are maintained by specialised engineers at the Isle of Wight Steam Railway and the steam locomotives undergo a complete overhaul after not more than 10 years use to ensure they are kept in pristine condition. A register of the repairs completed and required is held by the charity. Costs of these repairs are recognised in the accounts in the period they are incurred. All acquisitions and disposals of heritage assets must first be approved by the board of trustees and a register of heritage assets is maintained and held in the museum. This register will be made available to the public on request.

Ivatts 46447 and 41313 are both being depreciated on a straight line basis over a 10 year term from the dates which they entered service.

18 Fixed asset investments

	Other investments £
Cost or valuation	
At 1 January 2024 & 31 December 2024	10,000
Carrying amount	
At 31 December 2024	10,000
At 31 December 2023	10,000

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

18 Fixed asset investments (Continued)

	Notes	2024 £	2023 £
Other investments comprise:			
Investments in subsidiaries	19	10,000	10,000

19 Subsidiaries

These financial statements are separate charity financial statements for The Isle of Wight Railway Company Limited.

Details of the charity's subsidiaries at 31 December 2024 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
IWR Trading Limited	The Railway Station, Havenstreet, Ryde, Isle Of Wight, PO33 4DS	Trading subsidiary engaged in catering and retail souvenir sales to raise funds for the charity.	Ordinary shares	100.00	

20 Stocks

	2024 £	2023 £
Raw materials and consumables	32,043	36,423

21 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	10,555	34,008
Amounts owed by subsidiary undertakings	205,810	70,494
Other debtors	211,545	57,839
Prepayments and accrued income	98,691	82,669
	<u>526,601</u>	<u>245,010</u>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

22 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Covenanted loans		100	100
Other taxation and social security		17,991	18,608
Payments received on account		94,308	75,830
Trade creditors		66,876	93,229
Other creditors		3,369	5,948
Accruals and deferred income		49,259	28,108
		<u>231,903</u>	<u>221,823</u>

23 Retirement benefit schemes

	2024 £	2023 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	14,303	11,407
	<u>14,303</u>	<u>11,407</u>

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

24 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2024 £	Incoming resources £	Resources expended £	Transfers £	At 31 December 2024 £
Carriage and wagon restoration	58,650	85,104	(40,465)	-	103,289
The Museum fund	19,290	8,513	(14,623)	-	13,180
Maycock fund	8,817	295	-	-	9,112
IWSR 200 Club	7,726	5,325	(2,450)	-	10,601
Woolton	31,377	19,695	(1,875)	(24,235)	24,962
Drewry railcar	-	343	-	(343)	-
Calbourne	1,973	-	-	-	1,973
Possible acquisition fund	4,865	3,125	-	-	7,990
Invincible	16,477	1,331	-	-	17,808
	<u>149,175</u>	<u>123,731</u>	<u>(59,413)</u>	<u>(24,578)</u>	<u>188,915</u>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

24 Restricted funds (Continued)

Previous year:	At 1 January 2023	Incoming resources	Resources expended	Transfers	At 31 December 2023
	£	£	£	£	£
Carriage and wagon restoration	72,546	31,985	(45,881)	-	58,650
The Museum fund	28,756	8,661	(6,890)	(11,237)	19,290
Maycock fund	8,450	367	-	-	8,817
IWSR 200 Club	7,207	6,780	(2,450)	(3,811)	7,726
Wootton	38,387	34,108	(3,275)	(37,843)	31,377
Drewry railcar	4,530	237	-	(4,767)	-
Calbourne	-	1,973	-	-	1,973
Possible acquisition fund	4,815	50	-	-	4,865
Invincible	14,973	1,504	-	-	16,477
	<u>179,664</u>	<u>85,665</u>	<u>(58,496)</u>	<u>(57,658)</u>	<u>149,175</u>

Carriage and wagon restoration - for the restoration of carriages and wagons including grant income.

Museum fund - in the furtherance of the development of the museum (heritage and learning).

Maycock fund - in coach and wagon restoration

IWSR 200 fund - for the provision of volunteer facilities and other designated projects.

Wootton - restoration/renovation of Wootton Station.

Drewry Railcar - restoration of the Srewry Railcar and its related trailer car

Calbourne - restoration of Calbourne

Invincible - restoration of Invincible

Possible acquisition - towards the acquisition of a specific locomotive for display should it become available

25 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2024	Incoming resources	Resources expended	Transfers	At 31 December 2024
	£	£	£	£	£
Designated / legacies fund	931,750	112,472	(92,831)	(197,149)	754,242
Train Story 2 designated fund	156,561	-	(2,245)	(13,100)	141,216
Fixed Asset reserve	3,257,407	-	-	303,082	3,560,489
General funds	1,028,081	2,364,028	(2,268,348)	(68,255)	1,055,506
	<u>5,373,799</u>	<u>2,476,500</u>	<u>(2,363,424)</u>	<u>24,578</u>	<u>5,511,453</u>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

25 Unrestricted funds (Continued)

Previous year:	At 1 January 2023	Incoming resources	Resources expended	Transfers	At 31 December 2023
	£	£	£	£	£
Designated / legacies fund	662,866	427,675	(22,463)	(136,328)	931,750
Train Story 2 designated fund	230,717	-	(22,580)	(51,576)	156,561
Fixed Asset reserve	3,028,120	-	-	229,287	3,257,407
General funds	1,012,344	2,036,771	(2,037,309)	16,275	1,028,081
	<u>4,934,047</u>	<u>2,464,446</u>	<u>(2,082,352)</u>	<u>57,658</u>	<u>5,373,799</u>

Train Story 2 reserve

Unrestricted funds set aside toward the proposed Train Story 2 development.

Designated/Legacies reserve

The designated / legacies reserve consists of income received from legacies both where there is a desire for the money to be spend on a particular project but no legal obligation and where they have been received with no specific indication as to how the funds are spent.

Fixed asset reserve

The fund represents the amount of unrestricted fixed assets held by the charity.

26 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 December 2024:			
Tangible assets	3,175,370	-	3,175,370
Heritage assets	385,119	-	385,119
Investments	10,000	-	10,000
Current assets/(liabilities)	1,940,964	188,915	2,129,879
	<u>5,511,453</u>	<u>188,915</u>	<u>5,700,368</u>
	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 December 2023:			
Tangible assets	3,039,360	-	3,039,360
Heritage assets	218,047	-	218,047
Investments	10,000	-	10,000
Current assets/(liabilities)	2,106,392	149,175	2,255,567
	<u>5,373,799</u>	<u>149,175</u>	<u>5,522,974</u>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

27 Financial commitments, guarantees and contingent liabilities

The charity has unrecognised contingent assets totalling £Nil (2023 - £10,000) relating to legacies, which the charity were notified of prior to the end of the year. The contingent assets are estimated based on the anticipated residual value of the estate due to the charity, where it is considered that the payment is probable but not virtually certain to be received.

28 Operating lease commitments

Lessee

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

	2024	2023
	£	£
Within one year	16,667	20,000
Between two and five years	-	16,667
	<u>16,667</u>	<u>36,667</u>

29 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2024	2023
	£	£
Acquisition of property, plant and equipment	<u>94,300</u>	<u>245,792</u>

30 Events after the reporting date

On 17th April 2025, the charity purchased Ashey station and associated buildings and land to the north for £675,000.

On 18th February 2025, the charity entered into a contract to construct a new playground for £59,390.

Subsequent to the year end, the charity initiated a restructuring process. The process is ongoing and, at this stage, it is not possible to provide a reliable estimate of the financial effect.

31 Related party transactions

Transactions with related parties

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

31 Related party transactions

(Continued)

During the year the Charity's subsidiary, IWR Trading Limited, paid the Charity £12,000 (2023 £7,985) in relation to rent. During the year, the Charity also received a management charge from IWR Trading Limited amounting to £50,853 (2023 £41,611) and a share of the General Manager/Chief Executive salary of £11,245 (2023:£12,101). The amount due from the subsidiary at 31 December 2024 is shown in note 21.

The charity's subsidiary, IWR Trading Limited, made a distribution to the charity of £96,104 (2023 £88,126).

Trustees' remuneration and expenses

No trustee received any remuneration for their role as trustee during the year (2023: £nil).

Six (2023: Four) trustees received reimbursement for travel, accommodation and small sundry expenses of £1,959 (2023: £1,068)

In accordance with the charity's Articles of Association, all trustees are paid-up members of the Railway. Trustees receive the benefits available to both members and volunteers. These benefits are provided on the same terms as those offered to the wider membership and volunteer base.

32 Cash generated from operations	2024 £	2023 £
Surplus for the year	177,394	409,263
Adjustments for:		
Investment income recognised in statement of financial activities	(57,327)	(30,634)
Loss on disposal of tangible fixed assets	4,834	3,167
Depreciation and impairment of tangible fixed assets	258,548	233,709
Movements in working capital:		
Decrease/(increase) in stocks	4,380	(4,453)
(Increase) in debtors	(302,146)	(38,442)
Increase in creditors	10,080	91,571
Cash generated from operations	95,763	664,181

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

33 Analysis of changes in net funds

	At 1 January 2024 £	Cash flows £	At 31 December 2024 £
Cash at bank and in hand	2,195,957	(392,819)	1,803,138
Loans falling due within one year	(100)	-	(100)
	<u>2,195,857</u>	<u>(392,819)</u>	<u>1,803,038</u>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

England & Wales - Charity number 280918

Accounts

The Isle of Wight Railway Company Limited

Audited Financial Statements

For the Year Ended 31 December 2023

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

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THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

CHARITY INFORMATION

REGISTERED OFFICE AND PRINCIPAL ADDRESS	The Railway Station Havenstreet Isle of Wight PO33 4DS
COMPANY NO	1068690 (England and Wales)
CHARITY NO	280918

DIRECTORS AND TRUSTEES

The directors of the charitable company ("the charity") are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. The trustees serving during the year and since the year end were as follows:

Anthony Barry	George Felton	Peter Taylor (Chairman)
Lorraine Buckman	Simon Fatcher	Peter Vail
Stephen Castle	Marc Morgan-Huws	Iain Whitlam
Graham Deegan	Stephen Oates	John Woodhams
Stuart Duddy	Stephen Smart	
Isaac Farnbank	Malcolm Smith	

CHANGES IN TRUSTEES DURING AND AFTER THE YEAR

John Woodhams	Appointed 17 June 2023
Mark Flynn	Appointed 2 January 2024
Stephen Castle	Resigned 17 June 2023
Marc Morgan-Huws	Resigned 11 December 2023

SECRETARY Iain Whitlam

FORM OF ACCOUNTS Consolidated accounts of The Isle of Wight Railway Company Limited and IWR Trading Limited.

CHARITABLE STATUS The company is a UK Registered Charity No. 280918

BANKERS Lloyds Bank PLC
22 St Thomas Square
Newport
Isle of Wight
PO30 1SQ

SOLICITORS Eldridges
36-37 St James' Street
Newport
Isle of Wight
PO30 1LG

REGISTERED AUDITORS Bright Brown Limited
Exchange House
St Cross Lane
Newport
Isle of Wight
PO30 5BZ

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their annual report with the financial statements of the group, parent company and its subsidiary undertakings for the year ended 31 December 2023 which has been prepared in accordance with statutory requirements (FRS102 and FRS 102 SORP) and the charitable company's governing document. This report also contains the items required of a directors' report for the purposes of the Companies Act 2006.

The legal and administrative information set out on page 2 forms part of this report.

GOVERNANCE

The Isle of Wight Railway Company Limited is constituted under its articles and memorandum and is a registered charity no. 280918. It was incorporated on 13th August 1972. Its subsidiary IWR Trading Limited was incorporated 1st December 1992.

The Isle of Wight Railway Company Limited is a registered charitable company limited by guarantee, not having any share capital. Members guarantee to pay during their membership and within one year after they cease to be a Member, in the event of a winding-up order, a sum not exceeding five pounds for payment of debts and liabilities contracted by the charitable company before they ceased to be a member.

APPOINTMENT OF TRUSTEES

Any fully paid member of the charitable company may put their name forward for membership of the Board subject to compliance of article 33 (d) (i) of the company's Articles of Association. In addition, the Board has the right to invite fully paid up members to put their names forward. Elections to the Board are subject to a confidential vote of members at the company's Annual General Meeting. Those members unable to attend such meeting may vote by proxy. The Board also has the right to co-opt additional members on to the Board at any time during the year to fill vacancies but these nominees will then be subject to the election process at the subsequent Annual General Meeting. Matters relating to membership of the Board are fully covered in articles 31 - 37 of the charitable company's articles of association.

An induction is provided to new trustees by the company secretary. More detailed training of trustees is something that the governance committee is seeking to develop during 2024/25.

ORGANISATIONAL STRUCTURE

The Board has the responsibility for establishing policy. Delivery of these policy decisions is the responsibility of the General Manager who works with the charitable company's Heads of Department who cover the following operations: rolling stock, rail infrastructure, estates, health and safety, operating, retail and catering, commercial, heritage and learning, finance and administration. All staff and volunteers working within these departments are responsible to their Head of Department. A management structure has been designed whereby all heads of department report to the General Manager, who is responsible to the Board. All new trustees are given induction training, and training during the year, on the work of the charity and on specific issues.

The General Manager also oversees the charity's wholly owned UK trading subsidiary, through which the shop and catering outlets are operated.

The general manager during the year was S Backhouse who left in December 2023 and was succeeded by M Morgan-Huws after his resignation from the board of trustees in December.

Pay and remuneration for all staff, including key management personnel, is determined by the board ahead of the start of the financial year. The board considers the rate of inflation and local and sector market rates. Variations may be made during the year to reflect recruitment requirements or arising from changes to individual posts.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 - CONTINUED

OBJECTIVES AND ACTIVITIES

The principal activity of the charitable company in the year under review continued to be the retention, preservation, restoration and operation of a portion of the railways in the Isle of Wight as a permanent exhibition and working museum for the advancement of technical, historical and general education. The Railway is accredited as a museum by Arts Council England.

ACHIEVEMENTS AND PERFORMANCE

The Railway had a successful year of trading and operation in 2023.

There were no significant safety or compliance events. The Railway was subject to a periodic inspection by the Office of Rail and Road.

Trading was strong against a depressed market, outperforming many of our peers in the visitor market and heritage railway sector. Visitor numbers rose by around 3% and revenues strongly to produce an increased trading surplus and to allow an increase in balances and reserves. Volunteer and membership numbers rose throughout the year.

A number of significant projects commenced or continued during the year. These projects furthered the preservation and education objectives of the charity – the Smallbrook Station Improvement Project, the restoration of the E1 locomotive and the Wootton Goods Shed and Signalling projects.

The Railway engaged with 130,000 members of the public who visited the Railway in 2023, the largest number in any year to date.

The year provided a solid base for the Railway heading into 2024, allowing continued capital investment in the year ahead aimed at providing further financial stability.

VOLUNTEERS, DONATIONS & BEQUESTS

The charity is very grateful for the work contributed by volunteers and for the donations received both for specific projects and general funds. The trustees also wish to acknowledge with thanks the bequests the charity has received from the wills of members and friends of the Railway who have sadly passed away.

PUBLIC BENEFIT

The Board of Trustees understands the requirements as set out in Section 17(5) of the Charities Act 2011 and takes the view that The Isle of Wight Railway Company Limited completely satisfies all guidance issued by the Charity Commission with regard to public benefit.

RESULTS FOR THE FINANCIAL YEAR

Total income for both the charity and subsidiary for the year amounted to £3,161,268 (2022: £2,681,873). Administration and event costs amounted to £624,407 (2022: £497,859), shop, catering and show expenditure amounted to £667,200 (2022: £608,541), expenditure on running and maintaining the Railway amounted to £1,449,970 (2022: £1,267,207). The overall surplus for the year amounted to £419,691 (2022: £310,592).

RESERVES POLICY

It is the policy of the charitable company to maintain unrestricted funds, which are the free reserves of the charitable company, at a level which equates to approximately four months unrestricted expenditure in order to avoid operating cashflow problems. The overall reserves of the group held at 31 December 2023 amounted to £5,672,383 of which £149,175 are held for restricted purposes. Reserves of £3,300,109 are held as fixed assets including investments, £931,750 of reserves relating to legacies received have been designated for specific purposes by trustees, and £156,561 has been designated towards work required for the Train Story 2 project. This leaves £1,134,788 of free unrestricted reserves.

This level of free reserves is considered by the trustees to be sufficient to meet the reserves policy of approximately four months' expenditure.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 - CONTINUED

RESERVES POLICY (continued)

Of designated funds approximately £150,000 will be spent between 2024 and 2026 on the completion of the E1 restoration. The remainder is held in expectation of property purchases at short notice, and as yet planned but unscheduled building projects.

RISK MANAGEMENT

The trustees have examined the major strategic, business and operational risks which the charitable company faces. Systems have been established to enable regular reports to be produced so that the necessary steps can be taken to reduce those risks.

The trustees are conscious of the risks posed by economic uncertainty and the increased cost of living. They are also alive to the recent history of significant volatility and increases in the price of utilities and coal. The trustees have adopted a strategy to continue to manage costs robustly, while investing in revenue generation through additional and improved marketing and capital investment in facilities that generate increased secondary spend. Work is advanced to increase the volume of proactive fundraising and to identify low-risk investment in further revenue generation.

PRINCIPAL FUNDING SOURCES

The charity's principal funding sources continue to be from donations and membership income, shop, catering, ticket sales and other special events income. The charity has also benefited from grant funding. Once the costs of generating these funds has been deducted, the majority of the remaining funds are used in support of the key objectives of the charity, that is the maintenance and running of the Railway.

FUNDRAISING

The Railway does not employ or contract a professional fundraiser or commercial participator. There have been no complaints in respect of our fundraising activities and no undertakings are in place in relation to our fundraising activities. We fundraise in an ethical and non-pressured manner. Oversight of fundraising rests with the trustees.

INVESTMENT POLICY

Under the charity's governing document, the trustees have the power to invest the monies of the charitable company not immediately required, in any such manner as the trustees may from time to time determine.

FUTURE PLANS

Looking ahead, the trustees have begun a restructuring of the organisation in terms of staffing and management. The restructuring will provide more strategic capacity and additional management capacity for the growing organisation in a fast-developing and uncertain world. This will allow the identification and management of future headwinds and risks, while developing opportunities to further secure the financial and organisational sustainability of the Railway.

COMPANY SUSTAINABILITY STATEMENT

The Company recognises that as a responsible organisation it has obligations, both in law and morally, to act in a sustainable manner to reduce where possible and practical, its impact on the wider environment.

It aims to do so by minimising its consumption of natural resources, effective use of those resources, reduction, reuse and recycling of waste, reducing its impact on the natural environment, promoting biodiversity on its land holdings and minimising pollution in all forms arising from its operations.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 - CONTINUED

TRUSTEES' RESPONSIBILITIES

Company law requires the trustees to prepare financial statements for each financial year in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue;
- determine how amounts are presented within items in the statement of financial activities and balance sheet, having regard to the substance of the reported transactions or arrangements, in accordance with generally accepted accounting principles or practice.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities as well as for the maintenance and integrity of the corporate and financial information included on the charity's website.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

By Order of the Board



PETER TAYLOR (CHAIRMAN)

Date: 27 June 2024

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

OPINION

We have audited the financial statements of The Isle of Wight Railway Company Limited (the 'parent charitable company' and its subsidiary (the 'charitable group') for the year ended 31 December 2023 which comprise the consolidated statement of financial activities (incorporating an income and expenditure account), consolidated balance sheet, parent charitable company balance sheet, consolidated statement of cashflows, parent charitable company statement of cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable group's and parent company's affairs as at 31 December 2023 and of the charitable groups' incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditors report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ISLE OF WIGHT RAILWAY COMPANY LIMITED - CONTINUED

OPINION 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 year 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 charitable group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- The trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees report and from the requirement to prepare a strategic report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 5 in the trustees' report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. In accordance with ISAs (UK) the auditor exercises professional judgement and maintains professional scepticism throughout the audit. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ISLE OF WIGHT RAILWAY COMPANY LIMITED - CONTINUED

As part of planning our audit we determined materiality and assessed the risks of material misstatement in the financial statements. Based on our understanding of the charitable company and the group we identified the principal risks to both the charitable company and the group as management override of controls, risk of misclassification of expenses between capital and revenue, and potential for fraud in respect of revenue recognition particularly in respect of cash income.

Audit procedures performed by the engagement team included:

- A review of journals made in preparing the final results for preparation of the accounts, and a review of accounting estimates made by management.
- Review to ensure there are no transactions that have no apparent business or charitable purpose, or that have been processed outside the usual accounting systems.
- Extension of the sample sizes for audit testing carried out in relation to cash income, and consideration and testing of controls in place around this income.
- Extension of sample sizes for audit testing carried out around additions, and review of additions and repairs costs to ensure they are appropriately classified.
- Discussions with management, including consideration of any known or suspected instances of non-compliance with laws and regulations or fraud.

There are inherent limitations in the audit procedures described above, and the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we are to become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment or intentional misrepresentations.

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

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



GAVIN KELLY, ACA, FCCA (SENIOR STATUTORY AUDITOR)

for and on behalf of Bright Brown Limited Chartered Accountants

Statutory Auditor

Exchange House

St Cross Lane

Newport

Isle of Wight

PO30 5BZ

Date: 28/5/24

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted Funds £	Restricted Funds £	2023 Total funds £	2022 Total funds as restated £
INCOME AND ENDOWMENTS FROM					
Voluntary income					
Donations		166,341	77,055	243,396	232,270
Grants	3	17,789	-	17,789	6,470
Legacies		427,675	-	427,675	205,316
Charitable activities					
Ticket sales		1,253,842	-	1,253,842	1,144,575
Membership subscriptions	5	33,992	8,610	42,602	59,209
Other trading activities					
Special events		367,601	-	367,601	334,220
Shop, catering and show income		747,703	-	747,703	685,152
Other income		28,850	-	28,850	10,959
Investments					
Interest received	4	31,810	-	31,810	3,702
Total		3,075,603	85,665	3,161,268	2,681,873
EXPENDITURE ON					
Raising Funds					
Administration and event costs	6	615,067	9,340	624,407	497,859
Shop, catering and show expenditure	6	667,200	-	667,200	608,541
Charitable activities					
Running and maintaining the Railway	6	1,400,814	49,156	1,449,970	1,267,207
Total		2,683,081	58,496	2,741,577	2,373,607
Unrealised gains/(losses) on investments	11	-	-	-	2,326
NET INCOME/(EXPENDITURE)		392,522	27,169	419,691	310,592
Transfer between funds	15a	57,658	(57,658)	-	-
Net movement in funds		450,180	(30,489)	419,691	310,592
RECONCILIATION OF FUNDS					
Total funds brought forward		5,073,028	179,664	5,252,692	4,942,100
TOTAL FUNDS CARRIED FORWARD		5,523,208	149,175	5,672,383	5,252,692

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes on pages 17 to 30 form part of these financial statements.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED
(Limited by Guarantee and not having any share capital)

Company No: 1068690
Charity No: 280918

**CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023		2022	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10a		3,082,062		2,872,693
Heritage assets	10c		218,047		197,596
Investments	11		-		-
			<u>3,300,109</u>		<u>3,070,289</u>
CURRENT ASSETS					
Stock	12	127,997		123,069	
Debtors	13	192,366		167,720	
Cash at bank and in hand		<u>2,291,019</u>		<u>2,039,951</u>	
		<u>2,611,382</u>		<u>2,330,740</u>	
CREDITORS					
Amounts falling due within one year	14		<u>(239,108)</u>		<u>(148,337)</u>
NET CURRENT ASSETS			2,372,274		2,182,403
NET ASSETS			<u>5,672,383</u>		<u>5,252,692</u>
FUNDS					
Unrestricted funds	15a		5,523,208		5,073,028
Restricted funds	15a		149,175		179,664
			<u>5,672,383</u>		<u>5,252,692</u>

There are no shareholders' funds as the company is limited by guarantee.

These financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Trustees on 27 June 2024 and were signed on its behalf by:


PETER TAYLOR (CHAIRMAN)

The notes on pages 17 to 30 form part of these financial statements.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

Company No: 1068690

Charity No: 280918

**PARENT CHARITABLE COMPANY BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023		2022	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10b		3,039,360		2,830,524
Heritage assets	10c		218,047		197,596
Investments	11		10,000		10,000
			<u>3,267,407</u>		<u>3,038,120</u>
CURRENT ASSETS					
Stock	12	36,423		31,970	
Debtors	13	245,010		206,568	
Cash at bank and in hand		<u>2,195,957</u>		<u>1,967,305</u>	
		<u>2,477,390</u>		<u>2,205,843</u>	
CREDITORS					
Amounts falling due within one year	14	<u>(221,823)</u>		<u>(130,252)</u>	
NET CURRENT ASSETS			2,255,567		2,075,591
NET ASSETS			<u>5,522,974</u>		<u>5,113,711</u>
FUNDS					
Unrestricted funds	15b		5,373,799		4,934,047
Restricted funds	15b		149,175		179,664
			<u>5,522,974</u>		<u>5,113,711</u>

There are no shareholders' funds as the company is limited by guarantee.

These financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Trustees on 27 June 2024 and were signed on its behalf by:



.....
PETER TAYLOR (CHAIRMAN)

The notes on pages 17 to 30 form part of these financial statements.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	698,921	496,417
Net cash provided by (used in) operating activities		<u>698,921</u>	<u>496,417</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(479,663)	(417,060)
Proceeds on sale of tangible fixed assets		-	1,500
Proceeds on sale of investments		-	4,307
Interest received		31,810	3,702
Net cash provided by (used in) investing activities		<u>(447,853)</u>	<u>(407,551)</u>
Net cash provided by (used in) financing activities			
Repayment of loan capital		-	(229,167)
Net cash provided by (used in) financing activities			<u>(229,167)</u>
Change in cash and cash equivalents in the reporting period		251,068	(140,301)
Cash and cash equivalents at the beginning of the reporting period		<u>2,039,951</u>	<u>2,180,252</u>
Cash and cash equivalents at the end of the reporting period		<u>2,291,019</u>	<u>2,039,951</u>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

1 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£	£
Net income for the reporting period (as per the statement of financial activities)	419,691	310,592
Adjustments for:		
Depreciation charges	241,246	223,439
Loss on disposal of assets	8,597	3,263
interest received	(31,810)	(3,702)
Unrealised losses/(gains) on investments	-	(2,326)
Decrease/(increase) in stock	(4,928)	(14,447)
Decrease/(increase) in debtors	(24,646)	(34,114)
Increase/(decrease) in creditors	90,771	13,712
Net cash provided by (used in) operating activities	698,921	496,417

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

PARENT CHARITABLE COMPANY CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	664,181	652,645
Net cash provided by (used in) operating activities		<u>664,181</u>	<u>652,645</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(466,163)	(406,318)
Proceeds on sale of tangible fixed assets		-	1,500
Proceeds on sale of investments		-	4,307
Interest received		30,634	3,614
Net cash provided by (used in) investing activities		<u>(435,529)</u>	<u>(396,897)</u>
Net cash provided by (used in) financing activities			
Repayment of loan capital		-	(229,167)
Net cash provided by (used in) financing activities		<u>-</u>	<u>(229,167)</u>
Change in cash and cash equivalents in the reporting period		228,652	26,581
Cash and cash equivalents at the beginning of the reporting period		<u>1,967,305</u>	<u>1,940,724</u>
Cash and cash equivalents at the end of the reporting period		<u>2,195,957</u>	<u>1,967,305</u>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE PARENT CHARITABLE COMPANY CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

1 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£	£
Net income for the reporting period	409,263	379,161
Adjustments for:		
Depreciation charges	233,708	215,995
Loss on disposal of assets	3,167	2,335
Interest received	(30,634)	(3,614)
Unrealised losses/(gains) on investments	-	(2,326)
Decrease/(increase) in stock	(4,453)	(14,596)
Decrease/(increase) in debtors	(38,442)	62,804
Increase/(decrease) in creditors	91,572	12,886
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	664,181	652,645

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 GENERAL INFORMATION

The Isle of Wight Railway Company Limited is a private company limited by guarantee and incorporated in England. The financial statements are presented in Sterling, which is the functional currency of the charitable group. There are no material uncertainties about the charity's ability to continue. The Isle of Wight Railway Company Limited constitutes a public benefit entity as defined by FRS 102.

2 ACCOUNTING POLICIES

a Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006 and the Charities Act 2011. The financial statements have been prepared under the historical cost convention as modified by the revaluation of listed fixed asset investments.

b Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Isle of Wight Railway Company Limited and its subsidiary IWR Trading Limited to 31 December each year. The accounts have been consolidated on a line by line basis and intra group transactions have been eliminated on consolidation.

c Heritage Assets

It is the charity's policy not to capitalise any heritage assets where it is not possible to place any reliable value on them. All heritage assets that can be reliably valued are included on the balance sheet at cost or valuation less accumulated depreciation. The charity has a collection of working steam locomotives and rolling stock, which are held to support their objectives of education and maintenance of the Isle of Wight Steam Railway. The trustees do not consider that reliable cost or valuation can be obtained for the majority of the locomotives in their collection, due to the rarity and lack of liquid market for them. The charity does not therefore recognise these assets on the balance sheet.

d Property, Plant and Equipment

Property, plant and equipment has been valued at cost less accumulated depreciation.

e Depreciation

Depreciation is provided on the following tangible fixed assets, at rates calculated to write off the cost of each asset over its anticipated useful life using the reducing balance method unless otherwise stated.

Freehold land	Not depreciated
Freehold property	3% per annum
Permanent way	5% per annum
Motor vehicles	25% per annum
Tools and miscellaneous equipment	25% per annum
No. 38, Barclay 0-6-0T <i>Ajax</i>	10% per annum on cost from date brought into service
Ivatt Engines 46447 and 41313	10% per annum on cost from date brought into service
Drewry Railcar	5% per annum on cost from date brought into service
Office equipment	20% per annum
Improvements to property	20% per annum
Assets in the course of construction	Not depreciated until the asset is brought into use

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 ACCOUNTING POLICIES (CONTINUED)

f Investments

Investments in listed entities are initially recognised at cost, or where such assets are donated at the fair value at the date ownership passed to the charity. Subsequently, listed investments are measured at fair value through the profit or loss account. Fair value will be determined by the active market price.

Investments in unlisted entities are measured at cost less amortisation as no fair value can be reliably determined.

g Stocks

Stock is valued at the lower of cost and net realisable value. In determining the value, cost is the cost incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

h Income

Voluntary Income

Voluntary income is recognised in the Statement of Financial Activities once the charitable company has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

For donations this is generally upon receipt. In the individual company accounts donations from the trading subsidiary are also recognised on receipt.

For legacies this is when the charity is notified of an impending distribution or receipt of a legacy, provided the value of the incoming resources can be measured with sufficient reliability.

Grants are recognised when unconditional entitlement to the income is passed to the charitable company. Where there are performance related terms and conditions that must be met before unconditional entitlement passes to the charitable company, the income is recognised once it is highly probable that these will be met. Where no such conditions exist the income is recognised when it is received.

Charitable and Other Trading Activities

Income from trading activities, including travel tickets, special events tickets, shop, catering and shows income, is recognised, net of VAT and all other sales taxes when the goods are delivered or services are provided.

Membership income is recognised evenly over the period the membership relates to.

Investment Income

Interest receivable is recognised over the period it is accrued except where there are conditions imposed that must be met before interest is received. Where this is the case the income is recognised once the conditions have been met.

i Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

2 ACCOUNTING POLICIES (CONTINUED)

j Taxation

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

k Fund Accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

l Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

m Creditors

Short term creditors are measured at transaction (invoice) price.

Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

n Going Concern

The accounts are prepared on a going concern basis. There are no uncertainties about the charitable company's ability to continue as a going concern.

	Unrestricted 2023 £	Restricted 2023 £	Total funds 2023 £	Total funds 2022 £
3 GRANTS RECEIVABLE				
Other grants	17,789	-	17,789	6,470
	<u>17,789</u>	<u>-</u>	<u>17,789</u>	<u>6,470</u>
4 INVESTMENT INCOME				
Interest from UK bank accounts	<u>31,810</u>	<u>-</u>	<u>31,810</u>	<u>3,702</u>

5 MEMBERSHIP SUBSCRIPTIONS

Membership subscriptions are recognised evenly over 12 months from the date the membership was taken out. It has been identified that these have not been deferred fully into the following year where the membership extends past the year end in previous year's accounts. The effect is not sufficient to require an adjustment to past year's results but as a result of updating the calculation this year membership income appears lower than it otherwise would based on actual membership numbers.

To clarify the effect of this adjustment, membership numbers were 2,031 at 31 December 2023 and 1,824 at 31 December 2022.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

6 EXPENDITURE (Continued)

It has been identified that Volunteer department expenses was being included within Repairs and maintenance cost and this has now been shown in its own heading under Admin and events costs. The comparatives have been updated to reflect this resulting in last year's Repairs and Maintenance costs being reduced by the £6,411 now shown within Volunteer department expenses above.

Balances on the Statement of Financial Activity have also been restated to reflect that this adjustment reduces Charitable costs and increases Admin and events costs for the 2022 year by £6,411.

	2023	2022
	£	£
7 GROUP OPERATING SURPLUS		
Group operating surplus is stated after charging:		
Auditors' remuneration	10,925	5,920
Auditors' remuneration non-audit fees	2,325	2,150
Expenditure on operating leases	20,000	18,333
Depreciation	241,246	223,439
Loss on disposal of fixed assets	8,597	3,263
	<u>31,810</u>	<u>3,702</u>
and after crediting:		
Interest received	<u>31,810</u>	<u>3,702</u>

8 EMPLOYEES AND TRUSTEES

Gross salaries	995,747	784,223
Employers national insurance contributions	53,554	41,415
Pension Costs	13,904	9,971
Training Costs	4,643	6,811
Total employee costs	<u>1,067,848</u>	<u>842,420</u>

The average number of employees for the year amounted to 24 full time (2022 - 22), 14 part time (2022 - 12), and 12 seasonal (2022 - 14). Of these a total of 40 employees worked for the charity and 10 for the trading company. No employees received remuneration of £60,000 or higher.

No Trustees earned a salary during either the current or previous year.

9a PARENT COMPANY INCOME AND EXPENDITURE ACCOUNT

No Income and Expenditure Account is presented for the Isle of Wight Railway Company Limited as permitted by section 408 of the Companies Act 2006. The surplus stated in the accounts for the year ended 31 December 2023 was £409,263 (2022: £379,161), comprising unrestricted funds surplus before transfers of £382,094 (2022: £335,617) and restricted funds surplus before transfers of £27,169 (2022: £43,544).

9b SUBSIDIARY COMPANY INCOME AND EXPENDITURE

The turnover for IWR Trading Limited for the year ended 31 December 2023 was £747,703 (2022: £685,152). The net surplus after tax and before donations to the charity for the year ended 31 December 2023 was £98,555 (2022: £92,837). Total assets at 31 December 2023 were £247,213 (2022: £224,382), total liabilities were £87,802 (2022: £75,400) and shareholder's funds amounted to £159,411 (2022: £148,982). Its primary activity is trading in support of The Isle of Wight Railway Company Ltd.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

10a TANGIBLE FIXED ASSETS - GROUP

	Permanent way, tools, equipment	Office equipment	Motor vehicles	Fixtures & fittings	Freehold property	Property improve - ments	Total
	£	£	£	£	£	£	£
Cost							
At 1 January 2023	1,299,032	123,841	112,151	116,241	2,635,999	859,077	5,146,341
Additions	146,249	17,448	70,296	13,500	152,416	24,885	424,794
Disposals	(2,432)	(10,463)	(1,348)	(15,859)	-	-	(30,102)
At 31 December 2023	1,442,849	130,826	181,099	113,882	2,788,415	883,962	5,541,033
Depreciation							
At 1 January 2023	741,210	71,823	32,509	74,072	665,123	688,911	2,273,648
Charge for year	58,649	13,221	37,479	7,537	51,814	38,128	206,828
Disposals	(2,390)	(7,362)	(1,324)	(10,429)	-	-	(21,505)
At 31 December 2023	797,469	77,682	68,664	71,180	716,937	727,039	2,458,971
Net book value							
At 31 December 2023	645,380	53,144	112,435	42,702	2,071,478	156,923	3,082,062
At 31 December 2022	557,822	52,018	79,642	42,169	1,970,876	170,166	2,872,693

10b TANGIBLE FIXED ASSETS - COMPANY

	Permanent way, tools, equipment	Office equipment	Motor vehicles	Freehold property	Property improve - ments	Total
	£	£	£	£	£	£
Cost						
At 1 January 2023	1,299,032	123,841	112,151	2,635,999	859,077	5,030,100
Additions	146,249	17,448	70,296	152,416	24,885	411,294
Disposals	(2,432)	(10,463)	(1,348)	-	-	(14,243)
At 31 December 2023	1,442,849	130,826	181,099	2,788,415	883,962	5,427,151
Depreciation						
At 1 January 2023	741,210	71,823	32,509	665,123	688,911	2,199,576
Charge for year	58,649	13,221	37,479	51,814	38,128	199,291
Disposals	(2,390)	(7,362)	(1,324)	-	-	(11,076)
At 31 December 2023	797,469	77,682	68,664	716,937	727,039	2,387,791
Net book value						
At 31 December 2023	645,380	53,144	112,435	2,071,478	156,923	3,039,360
At 31 December 2022	557,822	52,018	79,642	1,970,876	170,166	2,830,524

Assets in the course of construction in both the group and the company amounted to £62,200 at the year end. £48,682 is included within Freehold property and £13,518 is included within Permanent way, tools, equipment.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

10c HERITAGE ASSETS

	Group				Company			
	Ajax £	Ivatts £	Drewry	Total £	Ajax £	Ivatts £	Drewry	Total £
Cost								
At 1 January 2023	45,478	309,644	69,075	424,197	45,478	309,644	69,075	424,197
Additions	-	-	54,869	54,869	-	-	54,869	54,869
At 31 December 2023	45,478	309,644	123,944	479,066	45,478	309,644	123,944	479,066
Depreciation								
At 1 January 2023	45,478	174,215	6,908	226,601	45,478	174,215	6,908	226,601
Charge for year	-	30,964	3,454	34,418	-	30,964	3,454	34,418
At 31 December 2023	45,478	205,179	10,362	261,019	45,478	205,179	10,362	261,019
Net book value								
At 31 December 2023	-	104,465	113,582	218,047	-	104,465	113,582	218,047
At 31 December 2022	-	135,429	62,167	197,596	-	135,429	62,167	197,596

The trustees consider Heritage Assets to comprise locomotives, coaches, wagons, infrastructure and artefacts which were or could have been a part of the Isle of Wight railway system and emanating from one or more of the following: (1) the Island's pre-Grouping railway companies, (2) The Southern Railway, (3) British Railways Southern Region, (4) their successor organisations. The collection consists of fifteen locomotives (12 steam, 3 diesel), details of which can be found on the charity's website: <http://iwsteamrailway.co.uk/heritage/our-rolling-stock/locomotives/>. These locomotives are used to transport the public, in furtherance of the charity's objectives.

Two locomotives, Ivatt 46447 and Austerity *Juno* are on contracted loans to the East Somerset Railway and National Railway Museum respectively. Some other locomotive assets are occasionally loaned out on a short term basis to other steam railways or if suitable promotional opportunities arise. The remainder of the collection, when not in use, are maintained and mostly stored in the Train Story facility at the Isle of Wight Steam Railway.

It is not possible to get a reliable estimate of the value of the collection. There are three locomotives reported on the balance sheet, *Ajax*, Ivatt 41313 and Ivatt 46447. The remaining locomotives are not reported on the balance sheet as their valuation cannot be readily assessed in accordance with accounting policy 2c. *Ajax* was purchased and therefore was included in the balance sheet at this cost. Ivatt 41313 and 46447 were donated to the Isle of Wight Steam Railway by the Ivatt Locomotive Trust and the only amounts capitalised are the costs of bringing the assets into working condition as the value of the assets cannot be readily assessed. These costs are considered by the trustees to have a useful life of 10 years, the time until the next overhaul is required.

The locomotives are maintained by specialised engineers at the Isle of Wight Steam Railway and the steam locomotives undergo a complete overhaul after not more than 10 years use to ensure they are kept in pristine condition. A register of the repairs completed and required is held by the charity. Costs of these repairs are recognised in the SOFA in the period they are incurred. All acquisitions and disposals of heritage assets must first be approved by the board of trustees and a register of heritage assets is maintained and held in the museum. This register will be made available to the public on request.

Ivatts 46447 and 41313 are both being depreciated on a straight line basis over a 10 year term from the dates which they entered service.

In 2023 there were additions of £54,869 to heritage assets (2022: Nil 2021: £69,075, 2020: £NIL, 2019: £NIL). There were no disposals of any heritage assets, nor any impairments during the year, or any of the last four reporting periods.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
11 FIXED ASSET INVESTMENTS				
LISTED INVESTMENTS				
FAIR VALUE				
At 1 January 2023	-	1,981	-	1,981
Additions	-	-	-	-
Revaluations	-	2,326	-	2,326
Disposals	-	(4,307)	-	(4,307)
At 31 December 2023	-	-	-	-
The listed investments were shares bequeathed to the charity.				
UNLISTED INVESTMENTS				
Investment in subsidiary at cost	-	-	10,000	10,000
Total fixed asset investments	-	-	10,000	10,000

The subsidiary, which is included in the charitable company's accounts, is as follows:

Name	IWR Trading Limited (Company No. 02769446)
Registered office	The same as that of The Isle of Wight Railway Company Limited as detailed on page 2.
Principal Activity	Retail services
Country of Incorporation	England and Wales
Shares Held	50 ordinary £1 shares
Proportion Held	100%
Voting Rights	One vote per share
Turnover at year end	£747,703
Net assets at year end	£159,411

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
12 STOCK				
Catering, bar and show	9,846	15,427	-	-
Shop	81,728	75,672	-	-
Santa stock, coal and other stock	36,423	31,970	36,423	31,970
	127,997	123,069	36,423	31,970

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
13 DEBTORS				
Trade debtors	34,094	22,618	34,008	21,954
Amounts owed by group undertakings			70,494	57,315
Other debtors	158,272	145,102	140,508	127,299
	<u>192,366</u>	<u>167,720</u>	<u>245,010</u>	<u>206,568</u>
14 CREDITORS: AMOUNTS DUE WITHIN 1 YEAR				
Trade creditors	103,862	69,051	93,229	56,771
Covenanted loan	100	100	100	100
Taxation and social security	19,375	12,880	18,608	12,394
Accruals	33,564	38,456	28,108	34,173
Other creditors	82,207	27,850	81,778	26,814
	<u>239,108</u>	<u>148,337</u>	<u>221,823</u>	<u>130,252</u>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

	Balance 01/01/2023 £	Income £	Expense £	Transfers £	Total funds 31/12/2023 £
15a MOVEMENT IN FUNDS - GROUP					
Unrestricted funds					
General fund	1,109,156	2,647,928	(2,638,038)	15,742	1,134,788
Fixed asset reserve	3,070,289	-	-	229,820	3,300,109
Train Story 2 reserve	230,717	-	(22,580)	(51,576)	156,561
Designated / legacies reserve	662,866	427,675	(22,463)	(136,328)	931,750
Total unrestricted funds	5,073,028	3,075,603	(2,683,081)	57,658	5,523,208
Restricted funds					
Carriage and wagon restoration	72,546	31,985	(45,881)	-	58,650
The Museum fund	28,756	8,661	(6,890)	(11,237)	19,290
Maycock fund	8,450	367	-	-	8,817
IWSR 200 Club	7,207	6,780	(2,450)	(3,811)	7,726
Wootton	38,387	34,108	(3,275)	(37,843)	31,377
Drewry Railcar	4,530	237	-	(4,767)	-
Calbourne	-	1,973	-	-	1,973
Possible acquisition	4,815	50	-	-	4,865
Invincible	14,973	1,504	-	-	16,477
Total restricted funds	179,664	85,665	(58,496)	(57,658)	149,175
Total Funds	5,252,692	3,161,268	(2,741,577)	-	5,672,383
15b MOVEMENT IN FUNDS - COMPANY					
Unrestricted funds					
General fund	1,012,344	2,036,771	(2,037,309)	16,275	1,028,081
Fixed asset reserve	3,028,120	-	-	229,287	3,257,407
Train Story 2 reserve	230,717	-	(22,580)	(51,576)	156,561
Designated / legacies reserve	662,866	427,675	(22,463)	(136,328)	931,750
Total unrestricted funds	4,934,047	2,464,446	(2,082,352)	57,658	5,373,799
Restricted funds					
Carriage and wagon restoration	72,546	31,985	(45,881)	-	58,650
The Museum fund	28,756	8,661	(6,890)	(11,237)	19,290
Maycock fund	8,450	367	-	-	8,817
IWSR 200 Club	7,207	6,780	(2,450)	(3,811)	7,726
Wootton	38,387	34,108	(3,275)	(37,843)	31,377
Drewry Railcar	4,530	237	-	(4,767)	-
Calbourne	-	1,973	-	-	1,973
Possible acquisition	4,815	50	-	-	4,865
Invincible	14,973	1,504	-	-	16,477
Total restricted funds	179,664	85,665	(58,496)	(57,658)	149,175
Total Funds	5,113,711	2,550,111	(2,140,848)	-	5,522,974

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Unrestricted Funds £	Restricted Funds £	2023 Total Funds £	2022 Total Funds £
15c ANALYSIS OF NET ASSETS BETWEEN FUNDS				
Group				
Fixed assets	3,300,109	-	3,300,109	3,070,289
Current assets	2,462,207	149,175	2,611,382	2,330,740
Current liabilities	(239,108)	-	(239,108)	(148,337)
	<u>5,523,208</u>	<u>149,175</u>	<u>5,672,383</u>	<u>5,252,692</u>
Company				
Fixed assets	3,267,407	-	3,267,407	3,038,120
Current assets	2,328,215	149,175	2,477,390	2,205,843
Current liabilities	(221,823)	-	(221,823)	(130,252)
	<u>5,373,799</u>	<u>149,175</u>	<u>5,522,974</u>	<u>5,113,711</u>

15d DETAILS OF FUNDS

Train Story 2 reserve

Unrestricted funds set aside towards the proposed Train Story 2 development.

Designated / legacies reserve

The Designated / legacies reserve consists of income received from legacies both where there is a desire for the money to be spent on a particular project but no legal obligation and where they have been received with no specific indication as to how the funds are spent.

Fixed asset reserve

This fund represents the amount of unrestricted fixed assets held by the charity.

Restricted funds

Carriage and wagon restoration - for the restoration of carriages and wagons including grant income

Museum fund - in the furtherance of the development of the museum (heritage and learning)

Maycock fund - in coach and wagon restoration

IWSR 200 fund - for the provision of volunteer facilities and other designated projects

Wootton - restoration/renovation of Wootton Station

Drewry Railcar - restoration of the Drewry Railcar and its related trailer car

Calbourne - restoration of Calbourne

Invincible - restoration of Invincible

Possible acquisition - towards the acquisition of a specific locomotive for display should it become available

Transfers between funds

Transfers out of funds and into the fixed asset fund represent equipment and other long term assets purchased by those funds; but which are now available as fixed assets for the general unrestricted use of the charity. Depreciation of those assets is then transferred out of the fixed asset reserve to offset the charge to the general fund. Transfers into funds represent transfers between funds correcting the allocation of costs incorrectly allocated in the previous year.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Balance 01/01/2022	Income	Expense	Transfers	Total funds 31/12/2022
	£	£	£	£	£
15e PRIOR YEAR COMPARATIVES FOR THE MOVEMENT IN FUNDS - GROUP					
Unrestricted funds					
General fund	1,303,457	2,373,847	(2,275,315)	(292,833)	1,109,156
Fixed asset reserve	2,883,411	-	-	186,878	3,070,289
Train Story 2 reserve	-	-	(20,133)	250,850	230,717
Designated / legacies fund	555,955	207,642	(18,993)	(81,738)	662,866
Total unrestricted funds	4,742,823	2,581,489	(2,314,441)	63,157	5,073,028
Restricted funds					
Carriage and wagon restoration	90,623	25,019	(43,096)	-	72,546
The Museum fund	24,380	9,158	(4,782)	-	28,756
Maycock fund	8,099	351	-	-	8,450
IWSR 200 Club	2,023	7,880	(2,696)	-	7,207
Wootton	60,740	46,579	(6,200)	(62,732)	38,387
Drewry Railcar	-	4,530	-	-	4,530
Calbourne	31	-	(31)	-	-
The Grand Plan	425	-	-	(425)	-
Possible acquisition	4,815	-	-	-	4,815
Invincible	8,141	6,867	(35)	-	14,973
Total restricted funds	199,277	100,384	(56,840)	(63,157)	179,664
Total Funds	4,942,100	2,681,873	(2,371,281)	-	5,252,692
15f PRIOR YEAR COMPARATIVES FOR THE MOVEMENT IN FUNDS - COMPANY					
Unrestricted funds					
General fund	1,135,705	1,895,258	(1,728,157)	(290,462)	1,012,344
Fixed asset reserve	2,843,613	-	-	184,507	3,028,120
Train Story 2 reserve	-	-	(20,133)	250,850	230,717
Designated / legacies fund	555,955	207,642	(18,993)	(81,738)	662,866
Total unrestricted funds	4,535,273	2,102,900	(1,767,283)	63,157	4,934,047
Restricted funds					
Carriage and wagon restoration	90,623	25,019	(43,096)	-	72,546
The Museum fund	24,380	9,158	(4,782)	-	28,756
Maycock fund	8,099	351	-	-	8,450
IWSR 200 Club	2,023	7,880	(2,696)	-	7,207
Wootton	60,740	46,579	(6,200)	(62,732)	38,387
Drewry Railcar	-	4,530	-	-	4,530
Calbourne	31	-	(31)	-	-
The Grand Plan	425	-	-	(425)	-
Possible acquisition	4,815	-	-	-	4,815
Invincible	8,141	6,867	(35)	-	14,973
Total restricted funds	199,277	100,384	(56,840)	(63,157)	179,664
Total Funds	4,734,550	2,203,284	(1,824,123)	-	5,113,711

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

16 RELATED PARTY DISCLOSURES

Four (2022: Three) trustees received reimbursement for travel, accommodation and small sundry expenses of £1,068 (2022: £744).

17 CAPITAL COMMITMENTS

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities amounted to £245,792 at the year end (2022: £134,350).

18 OTHER FINANCIAL COMMITMENTS

At 31 December 2023 the charity had commitments under non-cancellable operating leases as follows:

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Due within one year	20,000	20,000	20,000	20,000
Due after one year but no later than five years	16,667	36,667	16,667	36,667
	<u>36,667</u>	<u>56,667</u>	<u>36,667</u>	<u>56,667</u>

19 CONTINGENT ASSETS

The charity has unrecognised contingent assets totalling £10,000 (2022: £150,010) relating to legacies, which the charity were notified of prior to the end of the year. The contingent assets are estimated based on the anticipated residual value of the estate due to the charity, where it is considered that payment is probable but not virtually certain to be received.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Unrestricted Funds as restated £	Restricted Funds £	Total 2022 as restated £
20 PRIOR YEAR COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES			
INCOME AND ENDOWMENTS FROM			
Voluntary Income			
Donations	141,253	91,017	232,270
Grants	6,470		6,470
Legacies	205,316	-	205,316
Charitable Activities			
Travel tickets	1,144,575	-	1,144,575
Membership subscriptions	49,842	9,367	59,209
Other Trading Activities			
Special events	334,220	-	334,220
Shop, catering and show income	685,152	-	685,152
Other income	10,959	-	10,959
Investments			
Interest received	3,702	-	3,702
Total	<u>2,581,489</u>	<u>100,384</u>	<u>2,681,873</u>
EXPENDITURE ON			
Raising Funds			
Administration and event costs	490,381	7,478	497,859
Shop, catering and show expenditure	608,541	-	608,541
Charitable activities			
Running and maintaining the Railway	1,217,845	49,362	1,267,207
Total	<u>2,316,767</u>	<u>56,840</u>	<u>2,373,607</u>
Unrealised gains/(losses) on investments	2,326	-	2,326
NET INCOME/(EXPENDITURE)	<u>267,048</u>	<u>43,544</u>	<u>310,592</u>
Transfer between funds	63,157	(63,157)	-
Net movement in funds	<u>330,205</u>	<u>(19,613)</u>	<u>310,592</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	4,742,823	199,277	4,942,100
TOTAL FUNDS CARRIED FORWARD	<u><u>5,073,028</u></u>	<u><u>179,664</u></u>	<u><u>5,252,692</u></u>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	£	£
UNRESTRICTED FUNDS		
Income		
Travel tickets	1,237,427	1,131,882
Platform tickets	16,415	12,693
Santa specials	113,979	113,467
Other special events	253,622	220,753
Membership subscriptions	33,992	49,842
Bank interest received	30,634	3,614
Management charge to subsidiary	41,611	37,260
Rent received	8,907	7,985
Legacies	427,675	205,316
Sundry income	27,933	10,959
Donations		
General donations	166,341	141,253
Gift aid donation from subsidiary	88,126	161,406
Grants		
Other grants	17,789	6,470
Total income	<u>2,464,446</u>	<u>2,102,900</u>
Expenditure		
Engineering	689,463	610,332
Marketing and operating	377,313	287,400
Sites and estates	245,362	186,560
Heritage and learning	31,536	31,620
Administration	451,129	387,954
Membership	25,476	20,668
Finance costs	25,197	26,744
Depreciation	236,876	218,331
Revaluations of listed investments	-	(2,326)
	<u>2,082,352</u>	<u>1,767,283</u>
Surplus of income over expenditure on unrestricted funds	<u>382,094</u>	<u>335,617</u>

This page does not form part of the statutory financial statements.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

SCHEDULE OF EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	£	£
Engineering		
Employee costs	383,874	330,596
Fuel and coal	131,382	133,837
Other locomotive running costs	32,657	26,631
Carriage and wagon maintenance	16,050	20,409
Permanent way maintenance	67,495	40,235
Workshops	17,704	14,353
Rolling stock repairs and refurbishment	17,838	25,278
Other designated fund engineering costs	22,463	18,993
	<u>689,463</u>	<u>610,332</u>
Marketing and operating		
Publicity	113,900	92,093
Employee costs	147,749	107,732
Volunteer department expenses	15,224	6,411
Operating costs	2,760	2,403
Printing and artwork	531	275
Exhibitions and sundries	11,162	6,317
Santa specials	40,609	40,018
Other specials	45,378	32,151
	<u>377,313</u>	<u>287,400</u>
Sites and estates		
Repair and maintenance	135,714	95,045
Cleaning and consumables	5,716	6,269
Employee costs	103,932	85,246
	<u>245,362</u>	<u>186,560</u>
Heritage and learning		
Employee costs	20,664	21,840
Education	1,528	302
General daily expenses	9,344	9,478
	<u>31,536</u>	<u>31,620</u>
Administration		
Employee costs	194,720	136,576
Insurance	76,938	66,393
Printing, stationery and postage	15,413	14,436
Heat, Light and Water charges	91,206	82,671
Health and safety and company doctor	4,746	6,768
Telephone	8,890	8,944
AGM & annual report	952	1,221
Sundry expenses	27,312	39,588
Subscriptions	6,225	5,595
Legal and professional fees	350	361
Rates	4,377	7,068
Rent	20,000	18,333
	<u>451,129</u>	<u>387,954</u>

This page does not form part of the statutory financial statements.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

SCHEDULE OF EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	£	£
Membership		
<i>Island Rail News</i>	22,900	20,371
Sundry	2,576	297
	<u>25,476</u>	<u>20,668</u>
Finance costs		
Audit fees	8,230	4,900
Bad debts	-	91
Bank charges	1,378	1,877
Bank interest	-	4,897
Credit card charges	14,405	13,790
Miscellaneous	1,184	1,189
	<u>25,197</u>	<u>26,744</u>
Depreciation		
Motor vehicles	37,479	26,547
Track and equipment	58,649	46,068
Office equipment	13,221	13,005
Improvements to property	38,128	42,542
Freehold property	51,814	53,416
Locomotive	30,964	30,964
Drewry Railcar	3,454	3,454
Losses on disposal of assets	3,167	2,335
	<u>236,876</u>	<u>218,331</u>
Total unrestricted expenditure	<u>2,082,352</u>	<u>1,769,609</u>

This page does not form part of the statutory financial statements.

IWR TRADING LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2023

	2023		2022	
	£	£	£	£
Shop				
Takings		237,270		248,648
Cost of sales				
Opening stock	75,672		81,424	
Purchases	129,059		126,945	
Wages	6,948		7,336	
Closing Stock	(81,728)		(75,672)	
		<u>129,951</u>		<u>140,033</u>
Gross Profit		<u>107,319</u>		<u>108,615</u>
Credit card charges	12,959		11,703	
Repairs and renewals	<u>1,727</u>		<u>688</u>	
		<u>14,686</u>		<u>12,391</u>
Net Profit		<u><u>92,633</u></u>		<u><u>96,224</u></u>
Catering				
Takings		415,630		352,713
Calbourne Room bookings		7,088		8,358
Costs of sales				
Opening stock	6,444		8,563	
Purchases	172,832		150,893	
Wages	147,336		120,289	
Closing stock	(8,062)		(6,444)	
		<u>318,550</u>		<u>273,301</u>
Gross profit		<u>104,168</u>		<u>87,770</u>
Repairs and renewals	<u>10,890</u>		<u>9,427</u>	
		<u>10,890</u>		<u>9,427</u>
Net profit		<u><u>93,278</u></u>		<u><u>78,343</u></u>
Bar				
Takings		64,225		53,956
Costs of sales				
Opening stock	1,663		781	
Bar purchases	31,902		30,384	
Closing stock	(764)		(1,663)	
		<u>32,801</u>		<u>29,502</u>
Gross profit		<u>31,424</u>		<u>24,454</u>
Repairs and renewals	<u>1,067</u>			
		<u>1,067</u>		
Net profit		<u><u>30,357</u></u>		<u><u>24,454</u></u>
Shows and special events				
Takings		23,490		21,476
Direct costs				
Opening stock	7,320		480	
Site costs and administration	40,280		54,811	
Closing stock	(1,020)		(7,320)	
		<u>46,580</u>		<u>47,971</u>
Gross profit/(loss)		<u>(23,090)</u>		<u>(26,495)</u>
Show publicity	<u>6,659</u>		<u>3,217</u>	
		<u>6,659</u>		<u>3,217</u>
Net profit/(loss)		<u><u>(29,749)</u></u>		<u><u>(29,712)</u></u>
Trading Profit		<u><u>186,519</u></u>		<u><u>169,309</u></u>

This page does not form part of the statutory financial statements.

IWR TRADING LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2023

	2023		2022	
	£	£	£	£
Trading profit		186,519		169,309
Overheads				
Rent	7,985		7,985	
Insurance	6,928		6,755	
Management charges	41,611		37,260	
General Manager	12,101		10,013	
Sundry expenses	40		98	
Audit fees	5,020		3,170	
Depreciation	7,537		7,443	
Bank charges	2,488		2,909	
Loss on disposal of tangible assets	5,430		928	
		89,140		76,561
Total net profit		<u>97,379</u>		<u>92,748</u>
Bank interest received		1,176		88
Net profit before gift aid donation		<u>98,555</u>		<u>92,836</u>
Donations to Isle of Wight Railway		(88,126)		(161,406)
Retained profit / (loss)		<u><u>10,429</u></u>		<u><u>(68,570)</u></u>

This page does not form part of the statutory financial statements.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

England & Wales - Charity number 280918

Accounts

The Isle of Wight Railway Company Limited

Audited Financial Statements

For the Year Ended 31 December 2022

(

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

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THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

CHARITY INFORMATION

REGISTERED OFFICE AND PRINCIPAL ADDRESS	The Railway Station Havenstreet Isle of Wight PO33 4DS
COMPANY NO	1068690 (England and Wales)
CHARITY NO	280918

DIRECTORS AND TRUSTEES

The directors of the charitable company ("the charity") are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. The trustees serving during the year and since the year end were as follows:

Anthony Barry	Isaac Farnbank	Stephen Smart
Lorraine Buckman	George Felton	Malcolm Smith
Stephen Castle	Simon Fatcher	Peter Taylor (Chairman)
Graham Deegan	Marc Morgan-Huws	Peter Vail
Stuart Duddy	Stephen Oates	Iain Whitlam

CHANGES IN TRUSTEES DURING THE YEAR

Lorraine Buckman	Appointed 11 June 2022
Isaac Farnbank	Appointed 11 June 2022
Peter Vail	Appointed 11 June 2022
Derek Bishop	Resigned 11 June 2022
Peter Conway	Resigned 11 June 2022
Andrew Merritt	Resigned 11 June 2022

SECRETARY Iain Whitlam

FORM OF ACCOUNTS Consolidated accounts of The Isle of Wight Railway Company Limited and IWR Trading Limited.

CHARITABLE STATUS The company is a UK Registered Charity No. 280918

BANKERS Lloyds Bank PLC
22 St Thomas Square
Newport
Isle of Wight
PO30 1SQ

SOLICITORS Eldridges
36-37 St James' Street
Newport
Isle of Wight
PO30 1LG

REGISTERED AUDITORS Bright Brown Limited
Exchange House
St Cross Lane
Newport
Isle of Wight
PO30 5BZ

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their annual report with the financial statements of the group, parent company and its subsidiary undertakings for the year ended 31 December 2022 which has been prepared in accordance with statutory requirements (FRS102 and FRS 102 SORP) and the charitable company's governing document.

The legal and administrative information set out on page 8 forms part of this report.

GOVERNANCE

The Isle of Wight Railway Company Limited is constituted under its articles and memorandum and is a registered charity no. 280918. It was incorporated on 13th August 1972. Its subsidiary IWR Trading Limited was incorporated 1st December 1992.

The Isle of Wight Railway Company Limited is a registered charitable company limited by guarantee, not having any share capital. Members guarantee to pay during their membership and within one year after they cease to be a Member, in the event of a winding-up order, a sum not exceeding five pounds for payment of debts and liabilities contracted by the charitable company before they ceased to be a member.

APPOINTMENT OF TRUSTEES

Any fully paid member of the charitable company may put their name forward for membership of the Board subject to compliance of article 33 (d) (i) of the company's Articles of Association. In addition, the Board has the right to invite fully paid up members to put their names forward. Elections to the Board are subject to a confidential vote of members at the company's Annual General Meeting. Those members unable to attend such meeting may vote by proxy. The Board also has the right to co-opt additional members on to the Board at any time during the year to fill vacancies but these nominees will then be subject to the election process at the subsequent Annual General Meeting. Matters relating to membership of the Board are fully covered in articles 31 - 37 of the charitable company's articles of association.

ORGANISATIONAL STRUCTURE

The Board has the responsibility for establishing policy. Delivery of these policy decisions is the responsibility of the General Manager who works with the charitable company's Heads of Department who cover the following operations: rolling stock, rail infrastructure, estates, health and safety, operating, retail and catering, commercial, heritage and learning, finance and administration. All staff and volunteers working within these departments are responsible to their Head of Department. A management structure has been designed whereby all heads of department report to the General Manager, who is responsible to the Board. All new trustees are given induction training, and training during the year, on the work of the charity and on specific issues.

The General Manager also oversees the charity's wholly owned UK trading subsidiary, through which the shop and catering outlets are operated.

RISK MANAGEMENT

The trustees have examined the major strategic, business and operational risks which the charitable company faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen those risks.

VOLUNTEERS, DONATIONS & BEQUESTS

The charity is very grateful for the work contributed by volunteers and for the donations received both for specific projects and general funds. The trustees also wish to acknowledge with thanks the bequests the charity has received from the wills of members and friends of the Railway who have sadly passed away.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 - CONTINUED

OBJECTIVES AND ACTIVITIES

The principal activity of the charitable company in the year under review continued to be the retention, preservation, restoration and operation of a portion of the railways in the Isle of Wight as a permanent exhibition and working museum for the advancement of technical, historical and general education. The Railway is accredited as a museum by Arts Council England.

CHARITY'S MAIN OBJECTIVES IN THE YEAR

An overview of the charity's activities during the year is included in the preceding annual reviews. Further information is available in the recent editions of Island Rail News. The Board published a Strategic Vision Document in June 2009, which was revised in 2013 and again in 2017.

ACHIEVEMENTS AND PERFORMANCE

The achievements and performance of the charity during the year are detailed on pages 2 to 6 of this annual report. The trustees report that, in their opinion, this has been a successful year for the charity.

RESULTS FOR THE FINANCIAL YEAR

Total income for both the charity and subsidiary for the year amounted to £2,681,873 (2021: £2,618,593). Administration and event costs amounted to £491,448 (2021: £381,826), shop, catering and show expenditure amounted to £608,541 (2021: £600,224), expenditure on running and maintaining the Railway amounted to £1,273,618 (2021: £987,094). The overall surplus for the year amounted to £310,592 (2021: £648,506).

RESERVES POLICY

It is the policy of the charitable company to maintain unrestricted funds, which are the free reserves of the charitable company, at a level which equates to approximately four months unrestricted expenditure in order to avoid operating cashflow problems. The overall reserves of the group held at 31 December 2022 amounted to £5,252,692 of which £179,664 are held for restricted purposes. Reserves of £3,070,289 are held as fixed assets including investments, £662,866 of reserves relating to legacies received have been designated for specific purposes by trustees, and £230,717 has been designated towards work required for the Train Story 2 project. This leaves £1,109,156 of free unrestricted reserves.

This level of free reserves is considered by the trustees to be sufficient to meet the reserves policy of approximately four months' expenditure.

PRINCIPAL FUNDING SOURCES

The charity's principal funding sources continue to be from donations and membership income, shop, catering, ticket sales and other special events income. The charity has also benefited from grant funding. Once the costs of generating these funds has been deducted, the majority of the remaining funds are used in support of the key objectives of the charity, that is the maintenance and running of the Railway.

INVESTMENT POLICY

Under the charity's governing document, the trustees have the power to invest the monies of the charitable company not immediately required, in any such manner as the trustees may from time to time determine.

FUTURE PLANS

Details of the charity's strategy plans are published on the website www.iwsteamrailway.co.uk. This includes the Strategic Vision Document from which detailed plans for the future will be produced. These plans are summarised on page 6.

PUBLIC BENEFIT

The Board of Trustees understands the requirements as set out in Section 17(5) of the Charities Act 2011 and takes the view that The Isle of Wight Railway Company Limited completely satisfies all guidance issued by the Charity Commission with regard to public benefit.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 - CONTINUED

COMPANY SUSTAINABILITY STATEMENT

The Company recognises that as a responsible organisation it has obligations, both in law and morally, to act in a sustainable manner to reduce where possible and practical, its impact on the wider environment.

It aims to do so by minimising its consumption of natural resources, effective use of those resources, reduction, reuse and recycling of waste, reducing its impact on the natural environment, promoting biodiversity on its land holdings and minimising pollution in all forms arising from its operations.

TRUSTEES' RESPONSIBILITIES

Company law requires the trustees to prepare financial statements for each financial year in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue;
- determine how amounts are presented within items in the statement of financial activities and balance sheet, having regard to the substance of the reported transactions or arrangements, in accordance with generally accepted accounting principles or practice.

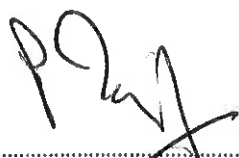
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities as well as for the maintenance and integrity of the corporate and financial information included on the charity's website.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

By Order of the Board



.....
PETER TAYLOR (CHAIRMAN)



Date:

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

OPINION

We have audited the financial statements of The Isle of Wight Railway Company Limited (the 'parent charitable company' and its subsidiary (the 'charitable group') for the year ended 31 December 2022 which comprise the consolidated statement of financial activities (incorporating an income and expenditure account), consolidated balance sheet, parent charitable company balance sheet, consolidated statement of cashflows, parent charitable company statement of cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable group's and parent company's affairs as at 31 December 2022 and of the charitable groups' incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditors report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ISLE OF WIGHT RAILWAY COMPANY LIMITED - CONTINUED

OPINION 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 year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- The trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees report and from the requirement to prepare a strategic report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 11 in the trustees' report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, 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 ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ISLE OF WIGHT RAILWAY COMPANY LIMITED - CONTINUED

As part of planning our audit we determined materiality and assessed the risks of material misstatement in the financial statements. Based on our understanding of the charitable company and the group we identified the principal risks to both the charitable company and the group as management override of controls, risk of misclassification of expenses between capital and revenue, and potential for fraud in respect of revenue recognition particularly in respect of cash income.

Audit procedures performed by the engagement team included:

- A review of journals made in preparing the final results for preparation of the accounts, and a review of accounting estimates made by management.
- Review to ensure there are no transactions that have no apparent business or charitable purpose, or that have been processed outside the usual accounting systems.
- Extension of the sample sizes for audit testing carried out in relation to cash income, and consideration and testing of controls in place around this income.
- Extension of sample sizes for audit testing carried out around additions, and review of additions and repairs costs to ensure they are appropriately classified.
- Discussions with management, including consideration of any known or suspected instances of non-compliance with laws and regulations or fraud.

There are inherent limitations in the audit procedures described above, and the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we are to become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment or intentional misrepresentations.

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

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



GAVIN KELLY, ACA, FCCA (SENIOR STATUTORY AUDITOR)

for and on behalf of Bright Brown Limited Chartered Accountants

Statutory Auditor

Exchange House

St Cross Lane

Newport

Isle of Wight

PO30 5BZ

Date:

14/9/23

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted Funds £	Restricted Funds £	2022 Total funds £	2021 Total funds as restated £
INCOME AND ENDOWMENTS FROM					
Voluntary Income					
Donations		141,253	91,017	232,270	292,100
Grants	3	6,470	-	6,470	81,517
Legacies		205,316	-	205,316	112,002
Charitable activities					
Ticket sales		1,144,575	-	1,144,575	1,048,157
Membership subscriptions		49,842	9,367	59,209	49,829
Other trading activities					
Special events		334,220	-	334,220	285,108
Shop, catering and show income		685,152	-	685,152	740,756
Other income		10,959	-	10,959	8,737
Investments					
Interest received	4	3,702	-	3,702	387
Total		2,581,489	100,384	2,681,873	2,618,593
EXPENDITURE ON					
Raising Funds					
Administration and event costs	6	483,970	7,478	491,448	381,826
Shop, catering and show expenditure	6	608,541	-	608,541	600,224
Charitable activities					
Running and maintaining the Railway	6	1,224,256	49,362	1,273,618	987,094
Total		2,316,767	56,840	2,373,607	1,969,144
Unrealised gains/(losses) on investments	11	2,326	-	2,326	(943)
NET INCOME/(EXPENDITURE)		267,048	43,544	310,592	648,506
Transfer between funds	16a	63,157	(63,157)	-	-
Net movement in funds		330,205	(19,613)	310,592	648,506
RECONCILIATION OF FUNDS					
Total funds brought forward					
As previously reported		4,689,068	199,277	4,888,345	4,293,594
Prior year adjustment		53,755	-	53,755	-
As restated		4,742,823	199,277	4,942,100	4,293,594
TOTAL FUNDS CARRIED FORWARD		5,073,028	179,664	5,252,692	4,942,100

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes on pages 22 to 36 form part of these financial statements.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

Company No: 1068690

Charity No: 280918

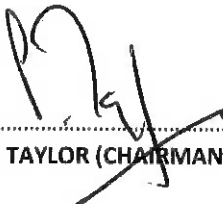
CONSOLIDATED BALANCE SHEET FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022		2021 as restated	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10a		2,872,693		2,649,416
Heritage assets	10c		197,596		232,014
Investments	11		-		1,981
			<u>3,070,289</u>		<u>2,883,411</u>
CURRENT ASSETS					
Stock	12	123,069		108,622	
Debtors	13	167,720		133,606	
Cash at bank and in hand		<u>2,039,951</u>		<u>2,180,252</u>	
		<u>2,330,740</u>		<u>2,422,480</u>	
CREDITORS					
Amounts falling due within one year	14	<u>(148,337)</u>		<u>(184,624)</u>	
NET CURRENT ASSETS			<u>2,182,403</u>		<u>2,237,856</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,252,692		5,121,267
CREDITORS					
Amounts falling due after one year	15		-		(179,167)
NET ASSETS			<u>5,252,692</u>		<u>4,942,100</u>
FUNDS					
Unrestricted funds	16a		5,073,028		4,742,823
Restricted funds	16a		179,664		199,277
			<u>5,252,692</u>		<u>4,942,100</u>

There are no shareholders' funds as the company is limited by guarantee.

These financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Trustees on and were signed on its behalf by:


.....
PETER TAYLOR (CHAIRMAN)

The notes on pages 22 to 36 form part of these financial statements.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED
(Limited by Guarantee and not having any share capital)

Company No: 1068690

Charity No: 280918

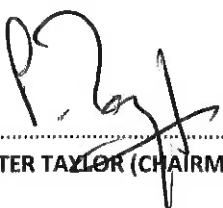
PARENT CHARITABLE COMPANY BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022		2021	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10b		2,830,524		2,609,618
Heritage assets	10c		197,596		232,014
Investments	11		10,000		11,981
			<u>3,038,120</u>		<u>2,853,613</u>
CURRENT ASSETS					
Stock	12	31,970		17,374	
Debtors	13	206,568		269,372	
Cash at bank and in hand		<u>1,967,305</u>		<u>1,940,724</u>	
		<u>2,205,843</u>		<u>2,227,470</u>	
CREDITORS					
Amounts falling due within one year	14	<u>(130,252)</u>		<u>(167,366)</u>	
NET CURRENT ASSETS			<u>2,075,591</u>		<u>2,060,104</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,113,711		4,913,717
CREDITORS					
Amounts falling due after one year	15		-		(179,167)
NET ASSETS			<u>5,113,711</u>		<u>4,734,550</u>
FUNDS					
Unrestricted funds	16b		4,934,047		4,535,273
Restricted funds	16b		179,664		199,277
			<u>5,113,711</u>		<u>4,734,550</u>

There are no shareholders' funds as the company is limited by guarantee.

These financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Trustees on and were signed on its behalf by:


.....
PETER TAYLOR (CHAIRMAN)

The notes on pages 22 to 36 form part of these financial statements.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	496,417	782,470
Net cash provided by (used in) operating activities		<u>496,417</u>	<u>782,470</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(417,060)	(221,878)
Proceeds on sale of tangible fixed assets		1,500	-
Proceeds on sale of investments		4,307	-
Interest received		3,702	387
Net cash provided by (used in) investing activities		<u>(407,551)</u>	<u>(221,491)</u>
Net cash provided by (used in) financing activities			
Proceeds of borrowing		-	-
Repayment of loan capital		(229,167)	(20,833)
Net cash provided by (used in) financing activities		<u>(229,167)</u>	<u>(20,833)</u>
Change in cash and cash equivalents in the reporting period		(140,301)	540,146
Cash and cash equivalents at the beginning of the reporting period		<u>2,180,252</u>	<u>1,640,106</u>
Cash and cash equivalents at the end of the reporting period		<u>2,039,951</u>	<u>2,180,252</u>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

1 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022	2021
	£	£
Net income for the reporting period (as per the statement of financial activities)	310,592	648,506
Adjustments for:		
Depreciation charges	223,439	177,564
Loss on disposal of assets	3,263	4,796
interest received	(3,702)	(387)
Unrealised losses/(gains) on investments	(2,326)	943
Decrease/(increase) in stock	(14,447)	(14,095)
Decrease/(increase) in debtors	(34,114)	(70,848)
Increase/(decrease) in creditors	13,712	35,991
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	496,417	782,470

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

PARENT CHARITABLE COMPANY CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	652,645	570,086
Net cash provided by (used in) operating activities		<u>652,645</u>	<u>570,086</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(406,318)	(217,084)
Proceeds on sale of tangible fixed assets		1,500	-
Proceeds on sale of investments		4,307	-
Interest received		3,614	376
Net cash provided by (used in) investing activities		<u>(396,897)</u>	<u>(216,708)</u>
Net cash provided by (used in) financing activities			
Proceeds of borrowing		-	-
Repayment of loan capital		(229,167)	(20,833)
Net cash provided by (used in) financing activities		<u>(229,167)</u>	<u>(20,833)</u>
Change in cash and cash equivalents in the reporting period		26,581	332,545
Cash and cash equivalents at the beginning of the reporting period		<u>1,940,724</u>	<u>1,608,179</u>
Cash and cash equivalents at the end of the reporting period		<u>1,967,305</u>	<u>1,940,724</u>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE PARENT CHARITABLE COMPANY CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

1 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022	2021
	£	£
Net income for the reporting period (as per the statement of financial activities)	379,161	496,541
Adjustments for:		
Depreciation charges	215,995	170,540
Loss on disposal of assets	2,335	4,015
Interest received	(3,614)	(376)
Unrealised losses/(gains) on investments	(2,326)	943
Decrease/(increase) in stock	(14,596)	2,310
Decrease/(increase) in debtors	62,804	(134,720)
Increase/(decrease) in creditors	12,886	30,833
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	652,645	570,086
	<hr/>	<hr/>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 GENERAL INFORMATION

The Isle of Wight Railway Company Limited is a private company limited by guarantee and incorporated in England. The financial statements are presented in Sterling, which is the functional currency of the charitable group. There are no material uncertainties about the charity's ability to continue. The Isle of Wight Railway Company Limited constitutes a public benefit entity as defined by FRS 102.

2 ACCOUNTING POLICIES

a Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006 and the Charities Act 2011. The financial statements have been prepared under the historical cost convention as modified by the revaluation of listed fixed asset investments.

b Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Isle of Wight Railway Company Limited and its subsidiary IWR Trading Limited to 31 December each year. The accounts have been consolidated on a line by line basis and intra group transactions have been eliminated on consolidation.

c Heritage Assets

It is the charity's policy not to capitalise any heritage assets where it is not possible to place any reliable value on them. All heritage assets that can be reliably valued are included on the balance sheet at cost or valuation less accumulated depreciation. The charity has a collection of working steam locomotives and rolling stock, which are held to support their objectives of education and maintenance of the Isle of Wight Steam Railway. The trustees do not consider that reliable cost or valuation can be obtained for the majority of the locomotives in their collection, due to the rarity and lack of liquid market for them. The charity does not therefore recognise these assets on the balance sheet.

d Property, Plant and Equipment

Property, plant and equipment has been valued at cost less accumulated depreciation.

e Depreciation

Depreciation is provided on the following tangible fixed assets, at rates calculated to write off the cost of each asset over its anticipated useful life using the reducing balance method unless otherwise stated.

Freehold property	3% per annum
Permanent way	5% per annum
Motor vehicles	25% per annum
Tools and miscellaneous equipment	25% per annum
No. 38, Barclay 0-6-0T <i>Ajax</i>	10% per annum on cost from date brought into service
Ivatt Engines 46447 and 41313	10% per annum on cost from date brought into service
Drewry Railcar	5% per annum on cost from date brought into service
Office equipment	20% per annum
Improvements to property	20% per annum
Assets in the course of construction	Not depreciated until the asset is brought into use

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

2 ACCOUNTING POLICIES (CONTINUED)

f Investments

Investments in listed entities are initially recognised at cost, or where such assets are donated at the fair value at the date ownership passed to the charity. Subsequently, listed investments are measured at fair value through the profit or loss account. Fair value will be determined by the active market price.

Investments in unlisted entities are measured at cost less amortisation as no fair value can be reliably determined.

g Stocks

Stock is valued at the lower of cost and net realisable value. In determining the value, cost is the cost incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

h Income

Voluntary Income

Voluntary income is recognised in the Statement of Financial Activities once the charitable company has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

For donations this is generally upon receipt. In the individual company accounts donations from the trading subsidiary are also recognised on receipt.

For legacies this is when the charity is notified of an impending distribution or receipt of a legacy, provided the value of the incoming resources can be measured with sufficient reliability.

Grants are recognised when unconditional entitlement to the income is passed to the charitable company. Where there are performance related terms and conditions that must be met before unconditional entitlement passes to the charitable company, the income is recognised once it is highly probable that these will be met. Where no such conditions exist the income is recognised when it is received.

Charitable and Other Trading Activities

Income from trading activities, including travel tickets, special events tickets, shop, catering and shows income, is recognised, net of VAT and all other sales taxes when the goods are delivered or services are provided.

Membership income is recognised evenly over the period the membership relates to.

Investment Income

Interest receivable is recognised over the period it is accrued except where there are conditions imposed that must be met before interest is received. Where this is the case the income is recognised once the conditions have been met.

i Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

2 ACCOUNTING POLICIES (CONTINUED)

j Taxation

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

k Fund Accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

l Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

m Creditors

Short term creditors are measured at transaction (invoice) price.

Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

n Going Concern

The accounts are prepared on a going concern basis. There are no uncertainties about the charitable company's ability to continue as a going concern.

	Unrestricted 2022 £	Restricted 2022 £	Total funds 2022 £	Total funds 2021 £
3 GRANTS RECEIVABLE				
Coronavirus Job Retention Scheme	-	-	-	27,435
Other grants	6,470	-	6,470	54,082
	<u>6,470</u>	<u>-</u>	<u>6,470</u>	<u>81,517</u>
4 INVESTMENT INCOME				
Interest from UK bank accounts	<u>3,702</u>	<u>-</u>	<u>3,702</u>	<u>387</u>

5 PRIOR YEAR ADJUSTMENT

It has been identified that legacy income of £53,755 received in early January 2022 should have been recognised as income in the 2021 accounts. The comparative figures have been restated to reflect an increase in legacy income for that year, with a corresponding increase in other debtors. The effects of this change mean that last year's unrestricted surplus is now shown as £53,755 greater than originally reported, and funds carried forward at 31 December 2021 were also increased by this amount to £4,942,100 for the group, and £4,734,550 for the parent charity.

Had the above adjustment not been made these funds would be recognised as legacy income during 2022 and therefore the adjustment has had no effect on the group or parent charity's financial position as at 31 December 2022.

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	£	£
7 GROUP OPERATING SURPLUS		
Group operating surplus		
Auditors' remuneration	5,920	5,400
Auditors' remuneration non-audit fees	2,150	2,150
Expenditure on operating leases	13,500	13,500
Depreciation	219,985	174,110
Loss on disposal of fixed assets	3,263	4,796
	<u> </u>	<u> </u>
and after crediting:		
Interest received	3,702	387
	<u> </u>	<u> </u>
8 EMPLOYEES AND TRUSTEES		
Gross salaries	784,223	696,321
Employers national insurance contributions	41,415	34,596
Pension Costs	9,971	8,867
Training Costs	6,811	4,888
	<u> </u>	<u> </u>
Total employee costs	842,420	744,672
	<u> </u>	<u> </u>

The average number of employees for the year amounted to 22 full time (2021 - 21), 12 part time (2021 - 15), and 14 seasonal (2021 - 8). Of these a total of 35 employees worked for the charity and 13 for the trading company. No employees received remuneration of £60,000 or higher.

During 2021 two members of staff who were connected to trustees were employed by the charity earning a total of £14,574. This is permissible according to the charity's articles and memorandum. In 2022 there were no employees related to trustees. No Trustees earned a salary during either the current or previous year.

9a PARENT COMPANY INCOME AND EXPENDITURE ACCOUNT

No Income and Expenditure Account is presented for the Isle of Wight Railway Company Limited as permitted by section 408 of the Companies Act 2006. The surplus stated in the accounts for the year ended 31 December 2022 was £379,161 (2021: £496,541), comprising unrestricted funds surplus before transfers of £335,617 (2021: £411,832) and restricted funds surplus before transfers of £43,544 (2021: £84,709).

9b SUBSIDIARY COMPANY INCOME AND EXPENDITURE

The turnover for IWR Trading Limited for the year ended 31 December 2022 was £685,152 (2021: £740,756). The net surplus after tax and before donations to the charity for the year ended 31 December 2022 was £92,837 (2021: £161,248). Total assets at 31 December 2022 were £224,382 (2021: £371,075), total liabilities were £75,400 (2021: £153,524) and shareholder's funds amounted to £148,982 (2021: £217,551). Its primary activity is trading in support of The Isle of Wight Railway Company Ltd.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

10a TANGIBLE FIXED ASSETS - GROUP

	Permanent way, tools, equipment £	Office equipment £	Motor vehicles £	Fixtures & fittings £	Freehold property £	Property improve - ments £	Total £
Cost							
At 1 January 2022	1,160,091	117,610	10,750	112,462	2,587,317	766,847	4,755,077
Additions	143,341	16,914	105,151	10,742	48,682	92,230	417,060
Disposals	(4,400)	(10,683)	(3,750)	(6,963)	-	-	(25,796)
At 31 December 2022	1,299,032	123,841	112,151	116,241	2,635,999	859,077	5,146,341
Depreciation							
At 1 January 2022	697,553	67,665	9,703	72,664	611,707	646,369	2,105,661
Charge for year	46,068	13,005	26,547	7,443	53,416	42,542	189,021
Disposals	(2,411)	(8,847)	(3,741)	(6,035)	-	-	(21,034)
At 31 December 2022	741,210	71,823	32,509	74,072	665,123	688,911	2,273,648
Net book value							
At 31 December 2022	557,822	52,018	79,642	42,169	1,970,876	170,166	2,872,693
At 31 December 2021	462,538	49,945	1,047	39,798	1,975,610	120,478	2,649,416

10b TANGIBLE FIXED ASSETS - COMPANY

	Permanent way, tools, equipment £	Office equipment £	Motor vehicles £	Freehold property £	Property improve - ments £	Total £
Cost						
At 1 January 2022	1,160,091	117,610	10,750	2,587,317	766,847	4,642,615
Additions	143,341	16,914	105,151	48,682	92,230	406,318
Disposals	(4,400)	(10,683)	(3,750)	-	-	(18,833)
At 31 December 2022	1,299,032	123,841	112,151	2,635,999	859,077	5,030,100
Depreciation						
At 1 January 2022	697,553	67,665	9,703	611,707	646,369	2,032,997
Charge for year	46,068	13,005	26,547	53,416	42,542	181,578
Disposals	(2,411)	(8,847)	(3,741)	-	-	(14,999)
At 31 December 2022	741,210	71,823	32,509	665,123	688,911	2,199,576
Net book value						
At 31 December 2022	557,822	52,018	79,642	1,970,876	170,166	2,830,524
At 31 December 2021	462,538	49,945	1,047	1,975,610	120,478	2,609,618

Assets in the course of construction in both the group and the company amounted to £62,200 at the year end. £48,682 is included within Freedold property and £13,518 is included within Permanent way, tools, equipment.

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FOR THE YEAR ENDED 31 DECEMBER 2022

10c HERITAGE ASSETS

	Group				Company			
	Ajax £	Ivatts £	Drewry	Total £	Ajax £	Ivatts £	Drewry	Total £
Cost								
At 1 January 2022	45,478	309,644	69,075	424,197	45,478	309,644	69,075	424,197
Additions	-	-	-	-	-	-	-	-
At 31 December 2022	45,478	309,644	69,075	424,197	45,478	309,644	69,075	424,197
Depreciation								
At 1 January 2022	45,478	143,251	3,454	192,183	45,478	143,251	3,454	192,183
Charge for year	-	30,964	3,454	34,418	-	30,964	3,454	34,418
At 31 December 2022	45,478	174,215	6,908	226,601	45,478	174,215	6,908	226,601
Net book value								
At 31 December 2022	-	135,429	62,167	197,596	-	135,429	62,167	197,596
At 31 December 2021	-	166,393	65,621	232,014	-	166,393	65,621	232,014

The trustees consider Heritage Assets to comprise locomotives, coaches, wagons, infrastructure and artefacts which were or could have been a part of the Isle of Wight railway system and emanating from one or more of the following: (1) the Island's pre-Grouping railway companies, (2) The Southern Railway, (3) British Railways Southern Region, (4) their successor organisations. The collection consists of fifteen locomotives (12 steam, 3 diesel), details of which can be found on the charity's website: <http://iwsteamrailway.co.uk/heritage/our-rolling-stock/locomotives/>. These locomotives are used to transport the public, in furtherance of the charity's objectives.

Two locomotives, Ivatt 46447 and Austerity *Juno* are on contracted loans to the East Somerset Railway and National Railway Museum respectively. Some other locomotive assets are occasionally loaned out on a short term basis to other steam railways or if suitable promotional opportunities arise. The remainder of the collection, when not in use, are maintained and mostly stored in the Train Story facility at the Isle of Wight Steam Railway.

It is not possible to get a reliable estimate of the value of the collection. There are three locomotives reported on the balance sheet, *Ajax*, Ivatt 41313 and Ivatt 46447. The remaining locomotives are not reported on the balance sheet as their valuation cannot be readily assessed in accordance with accounting policy 2c. *Ajax* was purchased and therefore was included in the balance sheet at this cost. Ivatt 41313 and 46447 were donated to the Isle of Wight Steam Railway by the Ivatt Locomotive Trust and the only amounts capitalised are the costs of bringing the assets into working condition as the value of the assets cannot be readily assessed. These costs are considered by the trustees to have a useful life of 10 years, the time until the next overhaul is required.

The locomotives are maintained by specialised engineers at the Isle of Wight Steam Railway and the steam locomotives undergo a complete overhaul after not more than 10 years use to ensure they are kept in pristine condition. A register of the repairs completed and required is held by the charity. Costs of these repairs are recognised in the SOFA in the period they are incurred. All acquisitions and disposals of heritage assets must first be approved by the board of trustees and a register of heritage assets is maintained and held in the museum. This register will be made available to the public on request.

Ivatts 46447 and 41313 are both being depreciated on a straight line basis over a 10 year term from the dates which they entered service.

There were no additions of heritage assets in the year. (2021: £69,075, 2020: £NIL, 2019: £NIL, 2018: £NIL, 2017: £44,014, 2016: £70,646). There were no disposals of any heritage assets, nor any impairments during the year, or any of the last four reporting periods.

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FOR THE YEAR ENDED 31 DECEMBER 2022

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
11 FIXED ASSET INVESTMENTS				
LISTED INVESTMENTS				
FAIR VALUE				
At 1 January 2022	1,981	2,924	1,981	2,924
Additions	-	-	-	-
Revaluations	2,326	(943)	2,326	(943)
Disposals	(4,307)	-	(4,307)	-
At 31 December 2022	<u>-</u>	<u>1,981</u>	<u>-</u>	<u>1,981</u>

The listed investments are shares bequeathed to the charity.

UNLISTED INVESTMENTS

Investment in subsidiary at cost	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>
Total fixed asset investments	<u>-</u>	<u>1,981</u>	<u>10,000</u>	<u>11,981</u>

The subsidiary, which is included in the charitable company's accounts, is as follows:

Name	IWR Trading Limited (Company No. 02769446)
Registered office	The same as that of The Isle of Wight Railway Company Limited as detailed on page 8 .
Principal Activity	Retail services
Country of Incorporation	England and Wales
Shares Held	50 ordinary £1 shares
Proportion Held	100%
Voting Rights	One vote per share

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
12 STOCK				
Catering, bar and show	15,427	9,824	-	-
Shop	75,672	81,424	-	-
Santa stock, coal and other stock	31,970	17,374	31,970	17,374
	<u>123,069</u>	<u>108,622</u>	<u>31,970</u>	<u>17,374</u>
13 DEBTORS				
Trade debtors	22,618	16,079	21,954	16,079
Amounts owed by group undertakings	-	-	57,315	136,163
Other debtors	145,102	117,527	127,299	117,130
	<u>167,720</u>	<u>133,606</u>	<u>206,568</u>	<u>269,372</u>

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FOR THE YEAR ENDED 31 DECEMBER 2022

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
14 CREDITORS: AMOUNTS DUE WITHIN 1 YEAR				
Bank loans	-	50,000	-	50,000
Trade creditors	69,051	44,959	56,771	32,183
Covenanted loan	100	100	100	100
Taxation and social security	12,880	12,748	12,394	11,980
Accruals	38,456	39,978	34,173	36,662
Other creditors	27,850	36,839	26,814	36,441
	<u>148,337</u>	<u>184,624</u>	<u>130,252</u>	<u>167,366</u>
15 CREDITORS: AMOUNTS DUE AFTER 1 YEAR				
Loan due in more than 1 year	<u>-</u>	<u>179,167</u>	<u>-</u>	<u>179,167</u>

The bank loan, taken out in July 2020, was repaid in full during the year.

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FOR THE YEAR ENDED 31 DECEMBER 2022

	Balance	Prior year	Balance	Income	Expense	Transfers	Total funds
	£	£	01/01/2022 as restated	£	£	£	31/12/2022 £
16a MOVEMENT IN FUNDS - GROUP							
Unrestricted funds							
General fund	1,303,457	-	1,303,457	2,373,847	(2,275,315)	(292,833)	1,109,156
Fixed asset reserve	2,883,411	-	2,883,411	-	-	186,878	3,070,289
Train Story 2 reserve	-	-	-	-	(20,133)	250,850	230,717
Designated / legacies reserve	502,200	53,755	555,955	207,642	(18,993)	(81,738)	662,866
Total unrestricted funds	4,689,068	53,755	4,742,823	2,581,489	(2,314,441)	63,157	5,073,028
Restricted funds							
Carriage and wagon restoration	90,623	-	90,623	25,019	(43,096)	-	72,546
The Museum fund	24,380	-	24,380	9,158	(4,782)	-	28,756
Maycock fund	8,099	-	8,099	351	-	-	8,450
IWSR 200 Club	2,023	-	2,023	7,880	(2,696)	-	7,207
Wootton	60,740	-	60,740	46,579	(6,200)	(62,732)	38,387
Drewry Railcar	-	-	-	4,530	-	-	4,530
Calbourne	31	-	31	-	(31)	-	-
The Grand Plan	425	-	425	-	-	(425)	-
Possible acquisition	4,815	-	4,815	-	-	-	4,815
Invincible	8,141	-	8,141	6,867	(35)	-	14,973
Total restricted funds	199,277	-	199,277	100,384	(56,840)	(63,157)	179,664
Total Funds	4,888,345	53,755	4,942,100	2,681,873	(2,371,281)	-	5,252,692

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	Balance 01/01/2022	Prior year adjustment	Balance 01/01/2022 as restated	Income	Expense	Transfers	Total funds 31/12/2022
	£	£	£	£	£	£	£
16b MOVEMENT IN FUNDS - COMPANY							
Unrestricted funds							
General fund	1,135,705	-	1,135,705	1,895,258	(1,728,157)	(290,462)	1,012,344
Fixed asset reserve	2,843,613	-	2,843,613	-	-	184,507	3,028,120
Train Story 2 reserve	-	-	-	-	(20,133)	250,850	230,717
Designated / legacies reserve	502,200	53,755	555,955	207,642	(18,993)	(81,738)	662,866
Total unrestricted funds	4,481,518	53,755	4,535,273	2,102,900	(1,767,283)	63,157	4,934,047
Restricted funds							
Carriage and wagon restoration	90,623	-	90,623	25,019	(43,096)	-	72,546
The Museum fund	24,380	-	24,380	9,158	(4,782)	-	28,756
Maycock fund	8,099	-	8,099	351	-	-	8,450
IWSR 200 Club	2,023	-	2,023	7,880	(2,696)	-	7,207
Wootton	60,740	-	60,740	46,579	(6,200)	(62,732)	38,387
Drewry Railcar	-	-	-	4,530	-	-	4,530
Calbourne	31	-	31	-	(31)	-	-
The Grand Plan	425	-	425	-	-	(425)	-
Possible acquisition	4,815	-	4,815	-	-	-	4,815
Invincible	8,141	-	8,141	6,867	(35)	-	14,973
Total restricted funds	199,277	-	199,277	100,384	(56,840)	(63,157)	179,664
Total Funds	4,680,795	53,755	4,734,550	2,203,284	(1,824,123)	-	5,113,711

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FOR THE YEAR ENDED 31 DECEMBER 2022

	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	2021 Total Funds £
16c ANALYSIS OF NET ASSETS BETWEEN FUNDS				
Group				
Fixed assets	3,070,289	-	3,070,289	2,883,411
Current assets	2,151,076	179,664	2,330,740	2,368,725
Current liabilities	(148,337)	-	(148,337)	(184,624)
Long term liabilities	-	-	-	(179,167)
	<u>5,073,028</u>	<u>179,664</u>	<u>5,252,692</u>	<u>4,888,345</u>
Company				
Fixed assets	3,038,120	-	3,038,120	2,853,613
Current assets	2,026,179	179,664	2,205,843	2,173,715
Current liabilities	(130,252)	-	(130,252)	(167,366)
Long term liabilities	-	-	-	(179,167)
	<u>4,934,047</u>	<u>179,664</u>	<u>5,113,711</u>	<u>4,680,795</u>

16d DETAILS OF FUNDS

Train Story 2 reserve

Unrestricted funds set aside towards the proposed Train Story 2 development.

Designated / legacies reserve

The Designated / legacies reserve consists of income received from legacies both where there is a desire for the money to be spent on a particular project but no legal obligation and where they have been received with no specific indication as to how the funds are spent.

Fixed asset reserve

This fund represents the amount of unrestricted fixed assets held by the charity.

Restricted funds

Carriage and wagon restoration - for the restoration of carriages and wagons including grant income

Museum fund - in the furtherance of the development of the museum (heritage and learning)

Maycock fund - in coach and wagon restoration

IWSR 200 fund - for the provision of volunteer facilities and other designated projects

Wootton - restoration/renovation of Wootton Station

Drewry Railcar - restoration of the Drewry Railcar and its related trailer car

Calbourne - restoration of Calbourne

Invincible - restoration of Invincible

Possible acquisition - towards the acquisition of a specific locomotive for display should it become available

The Grand Plan - New buildings at Havenstreet as described in the strategic vision

Transfers between funds

Transfers out of funds and into the fixed asset fund represent equipment and other long term assets purchased by those funds, but which are now available as fixed assets for the general unrestricted use of the charity. Depreciation of those assets is then transferred out of the fixed asset reserve to offset the charge to the general fund. Transfers into funds represent transfers between funds correcting the allocation of costs incorrectly allocated in the previous year.

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	Balance 01/01/2021	Income as restated	Expense	Transfers	Total funds 31/12/2021 as restated
	£	£	£	£	£
16e PRIOR YEAR COMPARATIVES FOR THE MOVEMENT IN FUNDS - GROUP					
Unrestricted funds					
General fund	771,198	2,383,477	(1,930,360)	79,142	1,303,457
Fixed asset reserve	2,844,836	-	-	38,575	2,883,411
Designated / legacies fund	553,092	112,052	(1,372)	(107,817)	555,955
Total unrestricted funds	4,169,126	2,495,529	(1,931,732)	9,900	4,742,823
Restricted funds					
Carriage and wagon restoration	43,068	64,903	(17,348)	-	90,623
The Museum fund	11,337	22,985	(9,942)	-	24,380
Maycock fund	8,016	3,779	(3,696)	-	8,099
IWSR 200 Club	913	8,330	(7,220)	-	2,023
Wootton	47,347	13,542	(149)	-	60,740
Drewry Railcar	6,618	3,282	-	(9,900)	-
<i>Calbourne</i>	-	31	-	-	31
The Grand Plan	425	-	-	-	425
Possible acquisition	4,755	60	-	-	4,815
<i>Invincible</i>	1,989	6,152	-	-	8,141
Total restricted funds	124,468	123,064	(38,355)	(9,900)	199,277
Total Funds	4,293,594	2,618,593	(1,970,087)	-	4,942,100

16f PRIOR YEAR COMPARATIVES FOR THE MOVEMENT IN FUNDS - COMPANY

Unrestricted funds					
General fund	758,421	1,683,274	(1,382,122)	76,132	1,135,705
Fixed asset reserve	2,802,028	-	-	41,585	2,843,613
Designated / legacies fund	553,092	112,052	(1,372)	(107,817)	555,955
Total unrestricted funds	4,113,541	1,795,326	(1,383,494)	9,900	4,535,273
Restricted funds					
Carriage and wagon restoration	43,068	64,903	(17,348)	-	90,623
The Museum fund	11,337	22,985	(9,942)	-	24,380
Maycock fund	8,016	3,779	(3,696)	-	8,099
IWSR 200 Club	913	8,330	(7,220)	-	2,023
Wootton	47,347	13,542	(149)	-	60,740
Drewry Railcar	6,618	3,282	-	(9,900)	-
<i>Calbourne</i>	-	31	-	-	31
The Grand Plan	425	-	-	-	425
Possible acquisition	4,755	60	-	-	4,815
<i>Invincible</i>	1,989	6,152	-	-	8,141
Total restricted funds	124,468	123,064	(38,355)	(9,900)	199,277
Total Funds	4,238,009	1,918,390	(1,421,849)	-	4,734,550

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

17 RELATED PARTY DISCLOSURES

Three (2021: Eight) trustees received reimbursement for travel, accommodation and small sundry expenses of £744 (2021: £424). Total donations received from trustees in the year amounted to £7,643 (2021: £19,748).

18 CAPITAL COMMITMENTS

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities amounted to £134,350 at the year end (2021: £62,450).

19 CONTINGENT ASSETS

The charity has unrecognised contingent assets totalling £150,010 (2021:£nil). Contingent assets relate to a legacy, which the charity were notified of during the year. The charity has recognised an interim payment of £170,000 within legacy income in respect of this legacy during the year. The contingent asset relates to the remaining residual value of the estate being held on account. Based on our assessment of the facts and circumstances of these future payments at the year end, we consider it is probable but not virtually certain that these payments will be received.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Unrestricted Funds £	Restricted Funds £	Total 2021 £
19 PRIOR YEAR COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES			
INCOME AND ENDOWMENTS FROM			
Voluntary Income			
Donations	192,183	99,917	292,100
Grants	68,017	13,500	81,517
Legacies	58,247	-	58,247
Charitable Activities			
Travel tickets	1,048,157	-	1,048,157
Membership subscriptions	40,182	9,647	49,829
Other Trading Activities			
Special events	285,108	-	285,108
Shop, catering and show income	740,756	-	740,756
Other income	8,737	-	8,737
Investments			
Interest received	387	-	387
Total	<u>2,441,774</u>	<u>123,064</u>	<u>2,564,838</u>
EXPENDITURE ON			
Raising Funds			
Administration and event costs	369,592	12,234	381,826
Shop, catering and show expenditure	600,224	-	600,224
Charitable activities			
Running and maintaining the Railway	960,973	26,121	987,094
Total	<u>1,930,789</u>	<u>38,355</u>	<u>1,969,144</u>
Unrealised gains/(losses) on investments	(943)	-	(943)
NET INCOME/(EXPENDITURE)	<u>510,042</u>	<u>84,709</u>	<u>594,751</u>
Transfer between funds	9,900	(9,900)	-
Net movement in funds	<u>519,942</u>	<u>74,809</u>	<u>594,751</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	4,169,126	124,468	4,293,594
TOTAL FUNDS CARRIED FORWARD	<u><u>4,689,068</u></u>	<u><u>199,277</u></u>	<u><u>4,888,345</u></u>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	£	£
UNRESTRICTED FUNDS		
Income		
Travel tickets	1,131,882	1,035,133
Platform tickets	12,693	13,024
Santa specials	113,467	108,243
Other special events	220,753	176,865
Membership subscriptions	49,842	40,182
Bank interest received	3,614	376
Management charge to subsidiary	37,260	32,807
Rent received	8,985	12,143
Legacies	205,316	58,247
Sundry income	9,959	4,579
Donations		
General donations	141,253	192,183
Gift aid donation from subsidiary	161,406	9,283
Grants		
Rural Payments Agency	-	-
Coronavirus Job Retention Scheme	-	17,924
Other grants	6,470	40,582
Total income	<u>2,102,900</u>	<u>1,741,571</u>
Expenditure		
Engineering	610,332	448,042
Marketing and operating	280,989	230,812
Sites and estates	192,971	143,018
Heritage and learning	31,620	8,520
Administration	387,954	326,364
Membership	20,668	26,714
Finance costs	26,744	24,525
Depreciation	218,331	174,556
Revaluations of listed investments	(2,326)	3,687
	<u>1,767,283</u>	<u>1,386,238</u>
Surplus of income over expenditure on unrestricted funds	<u>335,617</u>	<u>355,333</u>

This page does not form part of the statutory financial statements.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

SCHEDULE OF EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	£	£
Engineering		
Employee costs	330,596	303,135
Fuel and coal	133,837	63,850
Other locomotive running costs	26,631	20,193
Carriage and wagon maintenance	20,409	8,873
Permanent way maintenance	40,235	18,458
Workshops	14,353	15,525
Rolling stock repairs and refurbishment (Principally W24, Oldbury 21, and SECR6375)	25,278	18,008
Other designated fund engineering costs	18,993	-
	<u>610,332</u>	<u>448,042</u>
Marketing and operating		
Publicity	92,093	75,447
Employee costs	107,732	91,072
Operating costs	2,403	3,427
Printing and artwork	275	737
Exhibitions and sundries	6,317	10,908
Santa specials	40,018	28,402
Other specials	32,151	20,819
	<u>280,989</u>	<u>230,812</u>
Sites and estates		
Repair and maintenance	101,456	61,060
Cleaning and consumables	6,269	5,728
Employee costs	85,246	76,230
	<u>192,971</u>	<u>143,018</u>
Heritage and learning		
Employee costs	21,840	1,958
Education	302	125
General daily expenses	9,478	6,437
	<u>31,620</u>	<u>8,520</u>
Administration		
Employee costs	136,576	117,553
Insurance	66,393	56,684
Printing, stationery and postage	14,436	14,637
Heat, Light and Water charges	82,671	68,510
Health and safety and company doctor	6,768	2,190
Telephone	8,944	8,454
AGM & annual report	1,221	571
Sundry expenses	39,588	30,330
Subscriptions	5,595	3,632
Legal and professional fees	361	991
Rates	7,068	4,812
Rent	18,333	18,000
	<u>387,954</u>	<u>326,364</u>

This page does not form part of the statutory financial statements.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

SCHEDULE OF EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	£	£
Membership		
<i>Island Rail News</i>	20,371	21,788
Sundry	297	4,926
	<u>20,668</u>	<u>26,714</u>
Finance costs		
Audit fees	4,900	4,750
Bad debts	91	-
Bank charges	1,877	1,370
Bank interest	4,897	5,561
Credit card charges	13,790	12,124
Miscellaneous	1,189	720
Other interest	-	-
Revaluations of listed investments	-	-
	<u>26,744</u>	<u>24,525</u>
Depreciation		
Motor vehicles	26,547	349
Track and equipment	46,068	38,427
Office equipment	13,005	12,486
Improvements to property	42,542	30,119
Freehold property	53,416	54,742
Locomotive	30,964	30,964
Drewry Railcar	3,454	3,454
Losses on disposal of assets	2,335	4,015
	<u>218,331</u>	<u>174,556</u>
Total unrestricted expenditure	<u>1,769,609</u>	<u>1,382,551</u>

This page does not form part of the statutory financial statements.

IWR TRADING LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

	2022		2021	
	£	£	£	£
Shop				
Takings		248,648		292,158
Cost of sales				
Opening stock	81,424		64,467	
Purchases	126,945		175,485	
Wages	7,336		10,385	
Closing Stock	(75,672)		(81,424)	
		<u>140,033</u>		<u>168,913</u>
Gross Profit		<u>108,615</u>		<u>123,245</u>
Credit card charges	11,703		10,974	
Repairs and renewals	688		1,550	
		<u>12,391</u>		<u>12,524</u>
Net Profit		<u><u>96,224</u></u>		<u><u>110,721</u></u>
Catering				
Takings		352,713		370,044
Calbourne Room bookings		8,358		6,713
Costs of sales				
Opening stock	8,563		9,855	
Purchases	150,893		132,547	
Wages	120,289		115,744	
Closing stock	(6,444)		(8,563)	
		<u>273,301</u>		<u>249,583</u>
Gross profit		<u>87,770</u>		<u>127,174</u>
Repairs and renewals	9,427		11,251	
		<u>9,427</u>		<u>11,251</u>
Net profit		<u><u>78,343</u></u>		<u><u>115,923</u></u>
Bar				
Takings		53,956		43,728
Costs of sales				
Opening stock	781		371	
Bar purchases	30,384		23,416	
Closing stock	(1,663)		(781)	
		<u>29,502</u>		<u>23,006</u>
Net profit		<u><u>24,454</u></u>		<u><u>20,722</u></u>
Shows and special events				
Takings		21,476		28,113
Direct costs				
Opening stock	480			
Site costs and administration	54,811		50,718	
Closing stock	(7,320)		(480)	
		<u>47,971</u>		<u>50,238</u>
Gross profit/(loss)		<u>(26,495)</u>		<u>(22,125)</u>
Show publicity	3,217		3,258	
		<u>3,217</u>		<u>3,258</u>
Net profit/(loss)		<u><u>(29,712)</u></u>		<u><u>(25,383)</u></u>
Trading Profit		<u><u>169,309</u></u>		<u><u>221,983</u></u>

This page does not form part of the statutory financial statements.

IWR TRADING LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

	2022		2021	
	£	£	£	£
Trading profit		169,309		221,983
Other income				
Government grants received		-		9,511
Overheads				
Rent	7,985		7,985	
Insurance	6,755		6,400	
Management charges	37,260		32,807	
General Manager	10,013		9,470	
Sundry expenses	98		13	
Audit fees	3,170		2,800	
Depreciation	7,443		7,023	
Bank charges	2,909		2,978	
Loss on disposal of tangible assets	928		781	
		<u>76,561</u>		<u>70,257</u>
Total net profit		<u>92,748</u>		<u>161,237</u>
Bank interest received		88		11
Net profit before gift aid donation		<u>92,836</u>		<u>161,248</u>
Donations to Isle of Wight Railway		(161,406)		(9,283)
Retained profit / (loss)		<u>(68,570)</u>		<u>151,965</u>

This page does not form part of the statutory financial statements.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

England & Wales - Charity number 280918

Accounts

The Isle of Wight Railway Company Limited

Audited Financial Statements

For the Year Ended 31 December 2021

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

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THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

CHAIRMAN'S REPORT AND FINANCIAL REPORT

To corrupt the title of a 1960's TV programme: 'That was the year that was'. And our Railway's 50th Anniversary was celebrated in great style despite Covid 19 still being with us and all the restrictions that imposed.

In preparing for the Golden Jubilee, the Board agreed an ambitious series of events it wanted to take place, in addition to those important well supported favourites, the 1940's weekend and the Steam Show, as examples. These ranged from celebrating the move to Havenstreet on 24th January 1971, the first train on 11th April 1971 to hosting another Royal visit. All of these took place and more including the formal handover of Class 483, 483007 to the Railway by Claire Mann the Managing Director of South Western Railway.

The disappointment was that Covid 19 meant that the 24th January event had to be truncated but it was repeated in January 2022 so that we could properly celebrate that momentous day in 1971. When HRH Prince Michael of Kent visited in July, he was able to unveil a memorial plaque celebrating the lives and contribution which over 230 members, sadly no longer with us, had made to the Railway over those 50 years.

New events were introduced, for example the Summer Concert and the 1960's weekend. These were well received and it is important that we keep innovating as this brings new customers to the Railway – there are still many people on the Island who have yet to visit us.

Our 50th Anniversary Steam Gala included Class A1X 'Terrier' 0-6-0T 2638 Bodiam (otherwise W14 Bembridge) for a 3 week visit in June from the Kent and East Sussex Railway. The event included a triple header from Havenstreet to Wootton where Calbourne, Newport and Bembridge were posed

In addition to our excellent 'Island Rail News' magazine, a 50th Anniversary book was published and I am grateful to all those who contributed to a superb publication and to Stuart Duddy for his work in putting it all together – a not inconsiderable task.

Turning now to business success, the Railway has had a fantastic year in 2021 and all this despite not being able to run trains until 11th April, missing the lucrative Easter market.

We had 115,000 visitors. Our overall income from travel, retail and catering stands at a record. The cash position has fully recovered from the outflow of funds in 2020 of £0.109M as described in the financial report below.

Our customers certainly like us – there have been many positive comments on social media and Trip Advisor. We provide a good, helpful and friendly service and that is one of the major keys to our success. The policy of pre booking compartments, with Covid 19 still in the mind of our public, continued to be welcomed by them.

One thing we can never understate is that not only have we run a safe Railway, we have run a Covid 19 safe Railway.

Further success was achieved in winning the Red Funnel 2020/21 Gold award for being the best large visitor attraction on the Island.

The other major new arrival on the Railway has been Drewry Railcar No.2 and its trailer car chassis. In the Autumn significant work was done on risk assessments for the operation of the Railcar which was successfully brought into service on 23rd January this year. Our sincere thanks must go to Terry Hastings, Bob Huxtable and the late Viv Orchard who made this project possible.

In the locomotive works Austerity 0-6-0T 192 Waggoner continued to have significant work undertaken on its boiler which is now nearing completion. Work continues on the rebuild of LCDR Brake 3rd 4115 ad Oldbury 21 in Carriage and Wagon workshop. The locomotive and carriage fleet all travelled many miles in 2021 with a lot of 2 train days' operation. Where

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED
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CHAIRMAN'S REPORT AND FINANCIAL REPORT

there were problems then they were dealt with in a highly professional manner. Work on the rebuild of the Midland Crane has commenced and good progress is being made.

Turning to our people, there have been a number of changes. Unfortunately, two of our former apprentices left us, Aiden ?has joined us as an apprentice into Carriage and Wagon and Simon ? has joined Locomotive Engineering. Sarah Girling has been appointed Heritage and Learning Manager, Adam James, Estates Manager and Ian Hodson, Rail Infrastructure Manager. I wish them all every success. I wish Bob Huxtable a very happy retirement and thank him for his many years with us in managing, firstly Engineering and latterly Rail Infrastructure.

In my foreword for the Winter 2021 edition of IRN I raised the subject of the Board and Diversity. Out of the 15 current, all male Board Directors, only 4 are working, the remainder are retired. In many ways the age profile of the Board has risen, as the Railway itself has matured but this is something which needs to change with a start at the 2022 AGM.

There are a number of reason why change is needed. We need a broad and up to date range of skills on the Board to deal with all aspects of running what is now a significant business. We will be seeking further major grants (eg Goal 9 Train Story 2). Grant funding bodies now have a serious look at the Board structure and it is conceivable that ours would not fit the profile expected. In saying this, aspects of running the Railway itself – safety, operations, engineering, rail infrastructure, estates, heritage and learning, finance and commercial - will continue to require Directors to be in position (as Directors with functional leadership of these specific areas).

This leads onto my own position where I reach another milestone of the mid-seventies in August 2022. Having by that time been on the Board for 22 years and with the privilege of being Chairman for the last 4, it is time for me to step aside. Whilst I will start the 2022 AGM, I will be standing down from the Chair at an appropriate point within it. Derek Bishop has also indicated that he will not be seeking re-election and I want to thank him for his contribution.

You will see that Peter Vale, our former General Manager, has been nominated to join the Board and if elected, he would take on the other key role that I perform as the Railway's Finance Director. One of our young members who is qualified both as a signaller and a guard has also been nominated. I would commend appointing both.

Finally, I want to thank Steve Backhouse, our General Manager for his leadership, innovation and contribution to the success of our Railway. This is coupled with thanks to all our Managers, Staff and last but by no means least to our Volunteers for all that has been done to make 2021, our Golden Jubilee year, so successful.

We can look forward to 2022 with a high degree of optimism as the expectations are that 'staycations' will continue to be popular.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED
(Limited by Guarantee and not having any share capital)

CHAIRMAN'S REPORT AND FINANCIAL REPORT

FINANCIAL REPORT

In my 2020 I reported that our cash position declined over the year by £0.109M to £1.640M. In 2021 our Railway generated gross income of £2.56M (£1.1M more than 2020) and our cash position on a like for like basis rose to £2.18M. After taking into account the amount outstanding on the Coronavirus business loan (CBILS) net cash stood in excess of £1.9M. By any measures this represented a significant recovery.

The loan is being repaid with the outstanding term of 4 years 8 months at 31st December 2021. The original capital amount of £0.25M has been set aside towards a major new project, Train Story 2, which is in the concept stage at present. This is needed as we have run out of space in Train Story meaning that valuable locomotives and rolling stock have spent the Winter outside rather than under cover.

Whilst early May was quiet we then became busy right through the season leading to record income from Travel, special events, shop and catering which totalled in excess of £2.0M. There is absolutely no doubt that we benefited from the staycation market which prevailed.

Our Railway has more than sufficient funds to meet the capital expenditure programme of £0.53M for 2022 with a variety of projects planned, covering all aspects of our Railway's business. One of the most noticeable at the present is the renovation of the Station building which is likely to cost circa £70,000 but the work that is being undertaken is vital to ensure the preservation of this historic building – the most important at Havenstreet.

As I write this in mid-April, I can report that the season has started well. It is too early to predict the impact that rising energy costs and inflation will have on the holiday and leisure market this year. It is also difficult to predict how our own costs relating to coal will be influenced by the market and indeed, where it will come from, now that there is no longer UK coal available to buy.

In conclusion, this will be the last time I will be writing these reports and I want to take this opportunity to thank my fellow directors, our managers, staff and volunteers for the support which I have received over my time as a Director and latterly as Chairman of our fantastic heritage railway.

Peter Conway
Chairman and Finance Director

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

GENERAL MANAGER'S REPORT

Despite the ongoing challenges of the Covid-19 pandemic, 2021 was a very successful year with buoyant visitor numbers and an excellent financial performance. This places the Railway in a strong position, able to invest in its future.

The year started in much more challenging circumstances amidst another national lockdown. One casualty was our event to mark the 50th anniversary of 'the Move' from Newport to Havenstreet, with members and supporters having to watch Calbourne's return to steam via our webcam. In total 20 operating days were lost, including the valuable Easter business.

The Railway reopened on 12 April, coincidentally 50 years to the day since the first train in 1971. For a further five weeks, we were required to keep our museum building closed and travel restrictions kept visitor numbers very subdued, generally fluctuating between 100 and 150 passengers per day. Nevertheless we comfortably covered our costs and had the worthwhile benefit of maintaining the competence of the operating team and keeping the Railway in the public eye.

Everything changed during the May half-term week when the Island was suddenly very busy with holidaymakers; a trend that continued right through a busy Summer and Autumn. In total we carried 105,000 passengers and welcomed a further 10,000 admission-only visitors to Havenstreet station. This would have been higher had it not been for the restrictions at the start of the year which conservatively cost us 20,000 visitors.

With Island Line services suspended for most of the year, only a handful of passengers were able to arrive via Smallbrook Junction. With work complete, we welcome our restoration of our link to the national rail network before the 2022 season.

The vast majority of passengers continued to book online, successfully steering them to trains with empty seats. As a result we avoided the peaks and troughs seen in previous years, with all trains kept comfortably full.

Our pre-Grouping carriages again came into their own with groups of 4 or more able to reserve their own compartment. This is highly valued by our visitors; offering both reassurance and added value.

Average spend per head increased with fares increased and strong secondary income. Our shop continues to perform very well, boosted by online sales, and our exclusive OO gauge model of W24 Calbourne. Catering spend returned to the pre-Covid levels seen in 2019. The real success story has been our T-Junction kiosk which has benefitted from the newly-landscaped area around the Events Barn. With modest operating costs, T-Junction operates very profitably and accounts for over 40% of all catering income.

This commercial performance is underpinned by a high quality visitor experience, as evidenced by our Visit England inspection report and TripAdvisor reviews. Credit here goes to everyone in the IWSR team for looking after our visitors so well; the human touch really does make all the difference.

We operated a full programme of Special Events within the shortened season, helping to attract a diverse audience. The newly launched 1960s Weekend, Summer Concert and Race the Train all attracted good numbers and the aim is to build these into regular features in our calendar. It was encouraging to welcome record numbers to our Cider & Cheese Festival, Wizard Week and Santa Specials.

Other events enable us to showcase our railway heritage. A particular highlight was the 50th anniversary gala which saw three original Island locomotives in action. We took advantage of the visit from Knowle/Bembridge to hold a separate Terrier Weekend a few weeks later. Our monthly Island Heritage Train Days enable us to showcase our original Island locomotives hauling period goods trains or the Ventnor West push-pull set.

Although the business side of the railway required much of my focus during the year, it was very pleasing to note a number of significant heritage accomplishments.

Flagship locomotive W24 Calbourne returned from her overhaul in January 2021. Our thanks go to everyone in the team who pulled out all the stops to get her steaming again in time for our 50th anniversary celebrations.

We also saw the return to the Island of Drewry Railcar No 2 (or the Ryde Pier Tram). As many members will know this has a long history with the IWSR, holding the distinction of being the last train from Newport, and carrying passengers in

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

GENERAL MANAGER'S REPORT

somewhat primitive fashion in the early 1970s. The chassis was then abandoned in a field for many decades before a project team led by Terry Hastings, Bob Huxtable and the late Viv Orchard set about returning it to life. This team, supported by our contractors at Alan Keef Ltd, have done a magnificent job of re-creating this unique piece of Island railway heritage.

Another new addition was 483007 Jess Harper generously donated by South Western Railway. This now forms a popular new exhibit inside Train Story where it attracts a new generation of enthusiasts too young to have witnessed the age of steam.

Behind the scenes, good progress was made with the restoration of IWR Oldbury No 21, LCDR 4115 and the former Midland Railway crane. Design work commenced for the new boiler for Class E1 W2 Yarmouth, with the expectation that an order will be placed in 2022.

Given the uncertainty at the start of the year, we deliberately held back from significant capital spending. Nevertheless we invested £28,000 in new bullhead rail, now installed near Deacons Lane Bridge. We plan to continue this investment over several years, adding to the long term sustainability of the Railway. Work also commenced on strengthening the Chillingwood Brook embankment east of Havenstreet, part of a multi-year project to rectify this weak link in our running line.

With our reserves replenished, we have agreed a more ambitious capital programme for 2022 that will see investment in new track, plant, IT, and building repairs, including an extensive refurbishment of our original 1926 station building.

Our thanks go to everyone in the IWSR team for their hard work and commitment during the last 12 months. We are very fortunate to have a very skilled team across a wide range of disciplines, ranging from restoring historic rolling stock and maintaining our track, to serving our visitors in our shop, café and ticket offices. By working together we operate a safe and professional railway and a top-quality visitor attraction.

During 2021 we welcomed new managers to our Rail Infrastructure, Estates and Heritage & Learning Departments; we welcome their fresh ideas and professional expertise. Team surveys showed a significant improvement in job satisfaction amongst both paid staff and volunteers; nevertheless this is an area where we can continue to get better, learning from current best practice. The forthcoming recruitment of paid Volunteer Development Manager will help strengthen this key area of our organisation.

Thank you to everyone who has volunteered, visited or supported the Railway during 2021. The Covid-19 pandemic has certainly created a number of challenges, as well as unexpected opportunities. The Railway has emerged in good health, ready to continue developing in the years ahead.

Steve Backhouse
General Manager

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED
(Limited by Guarantee and not having any share capital)

FUTURE VISION

Our board of directors has agreed a strategy for the next 5 years, which complements the Railway's longer-term strategic vision. Our vision for the next five years is:

With a nationally renowned heritage railway at its core, we will be one of the Island's leading cultural and visitor destinations, presenting high quality experiences for visitors to learn from and enjoy.

We will continue to be guided by three core principles:

- We are the guardians of Isle of Wight railway heritage, ensuring that it can be enjoyed by future generations.
- We will carefully manage our business and finances, not over-extending our resources.
- Safety will underpin all our activities.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

CHARITY INFORMATION

REGISTERED OFFICE AND PRINCIPAL ADDRESS	The Railway Station Havenstreet Isle of Wight PO33 4DS
COMPANY NO	1068690 (England and Wales)
CHARITY NO	280918

DIRECTORS AND TRUSTEES

The directors of the charitable company ("the charity") are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. The trustees serving during the year and since the year end were as follows:

Anthony Barry	Derek Bishop	Stephen Castle
Peter Conway (Chairman)	Graham Deegan	Stuart Duddy
George Felton	Simon Futcher	James Loe
Andrew Merritt	Marc Morgan-Huws	Stephen Oates
Stephen Smart	Malcolm Smith	John Suggett
Iain Whitlam	Peter Taylor	

CHANGES IN TRUSTEES DURING THE YEAR

Graham Deegan	Appointed 17 July 2021
James Loe	Resigned 17 July 2021
Marc Morgan-Huws	Appointed 17 July 2021
John Suggett	Resigned 17 July 2021

SECRETARY	Iain Whitlam
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FORM OF ACCOUNTS	Consolidated accounts of The Isle of Wight Railway Company Limited and IWR Trading Limited.
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CHARITABLE STATUS	The company is a UK Registered Charity No. 280918
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BANKERS	Lloyds Bank PLC 22 St Thomas Square Newport Isle of Wight PO30 1SQ
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SOLICITORS	Eldridges 36-37 St James' Street Newport Isle of Wight PO30 1LG
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REGISTERED AUDITORS	Bright Brown Limited Exchange House St Cross Lane Newport Isle of Wight PO30 5BZ
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THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their annual report with the financial statements of the group, parent company and its subsidiary undertakings for the year ended 31 December 2021 which has been prepared in accordance with statutory requirements (FRS102 and FRS 102 SORP) and the charitable company's governing document.

The legal and administrative information set out on page 8 forms part of this report.

GOVERNANCE

The Isle of Wight Railway Company Limited is constituted under its articles and memorandum and is a registered charity no. 280918. It was incorporated on 13th August 1972. Its subsidiary IWR Trading Limited was incorporated 1st December 1992.

The Isle of Wight Railway Company Limited is a registered charitable company limited by guarantee, not having any share capital. Members guarantee to pay during their membership and within one year after they cease to be a Member, in the event of a winding-up order, a sum not exceeding five pounds for payment of debts and liabilities contracted by the charitable company before they ceased to be a member.

APPOINTMENT OF TRUSTEES

Any fully paid member of the charitable company may put his name forward for membership of the Board subject to compliance of article 33 (d) (i) of the company's Articles of Association. In addition, the Board has the right to invite fully paid up members to put their names forward. Elections to the Board are subject to a confidential vote of members at the company's Annual General Meeting. Those members unable to attend such meeting may vote by proxy. The Board also has the right to co-opt additional members on to the Board at any time during the year to fill vacancies but these nominees will then be subject to the election process at the subsequent Annual General Meeting. Matters relating to membership of the Board are fully covered in articles 31 - 37 of the charitable company's articles of association.

ORGANISATIONAL STRUCTURE

The Board has the responsibility for establishing policy. Delivery of these policy decisions is the responsibility of the General Manager who works with the charitable company's Heads of Department who cover the following operations: rolling stock, rail infrastructure, estates, health and safety, operating, retail and catering, commercial, heritage and learning, finance and administration. All staff and volunteers working within these departments are responsible to their Head of Department. A management structure has been designed whereby all heads of department report to the General Manager, who is responsible to the Board. All new trustees are given induction training, and training during the year, on the work of the charity and on specific issues.

The General Manager also oversees the charity's wholly owned UK trading subsidiary, through which the shop and catering outlets are operated.

RISK MANAGEMENT

The trustees have examined the major strategic, business and operational risks which the charitable company faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen those risks.

VOLUNTEERS, DONATIONS & BEQUESTS

The charity is very grateful for the work contributed by volunteers and for the donations received both for specific projects and general funds. The trustees also wish to acknowledge with thanks the bequests the charity has received from the wills of members and friends of the Railway who have sadly passed away.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 - CONTINUED

OBJECTIVES AND ACTIVITIES

The principal activity of the charitable company in the year under review continued to be the retention, preservation, restoration and operation of a portion of the railways in the Isle of Wight as a permanent exhibition and working museum for the advancement of technical, historical and general education. The Railway is accredited as a museum by Arts Council England.

CHARITY'S MAIN OBJECTIVES IN THE YEAR

An overview of the charity's activities during the year is included in the preceding annual reviews. Further information is available in the Winter 2022 edition of Island Rail News. The Board published a Strategic Vision Document in June 2009, which was revised in 2013 and again in 2017.

ACHIEVEMENTS AND PERFORMANCE

The achievements and performance of the charity during the year are detailed on pages 2 to 6 of this annual report. The trustees report that, in their opinion, considering the challenges COVID-19 has presented to all charities this has been a successful year for the charity.

RESULTS FOR THE FINANCIAL YEAR

Total income for both the charity and subsidiary for the year amounted to £2,564,838 (2020: £1,463,691). Administration and event costs amounted to £381,826 (2020: £321,219), shop, catering and show expenditure amounted to £600,224 (2020: £277,225), expenditure on running and maintaining the Railway amounted to £987,094 (2020: £930,848). The overall surplus for the year amounted to £594,751 (2020: deficit £69,288).

RESERVES POLICY

It is the policy of the charitable company to maintain unrestricted funds, which are the free reserves of the charitable company, at a level which equates to approximately four months unrestricted expenditure in order to avoid operating cashflow problems. The overall reserves of the group held at 31 December 2021 amounted to £4,888,345 of which £199,277 are held for restricted purposes. Reserves of £2,883,411 are held as fixed assets including investments, and £502,200 of reserves relating to legacies received have been designated for specific purposes by trustees. This leaves £1,303,457 of free unrestricted reserves.

This level of free reserves is considered by the trustees to be sufficient to meet the reserves policy of approximately four months' expenditure.

PRINCIPAL FUNDING SOURCES

The charity's principal funding sources continue to be from donations and membership income, shop, catering, ticket sales and other special events income. The charity has also benefited from grant funding. Once the costs of generating these funds has been deducted, the majority of the remaining funds are used in support of the key objectives of the charity, that is the maintenance and running of the Railway.

INVESTMENT POLICY

Under the charity's governing document, the trustees have the power to invest the monies of the charitable company not immediately required, in any such manner as the trustees may from time to time determine.

FUTURE PLANS

Details of the charity's strategy plans are published on the website www.iwsteamrailway.co.uk. This includes the Strategic Vision Document from which detailed plans for the future will be produced. These plans are summarised on page 6.

PUBLIC BENEFIT

The Board of Trustees understands the requirements as set out in Section 17(5) of the Charities Act 2011 and takes the view that The Isle of Wight Railway Company Limited completely satisfies all guidance issued by the Charity Commission with regard to public benefit.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019 - CONTINUED

COMPANY SUSTAINABILITY STATEMENT

The Company recognises that as a responsible organisation it has obligations, both in law and morally, to act in a sustainable manner to reduce where possible and practical, its impact on the wider environment.

It aims to do so by minimising its consumption of natural resources, effective use of those resources, reduction, reuse and recycling of waste, reducing its impact on the natural environment, promoting biodiversity on its land holdings and minimising pollution in all forms arising from its operations.

TRUSTEES' RESPONSIBILITIES

Company law requires the trustees to prepare financial statements for each financial year in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue;
- determine how amounts are presented within items in the statement of financial activities and balance sheet, having regard to the substance of the reported transactions or arrangements, in accordance with generally accepted accounting principles or practice.

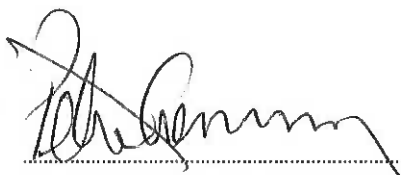
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities as well as for the maintenance and integrity of the corporate and financial information included on the charity's website.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

By Order of the Board



PETER CONWAY (CHAIRMAN)

Date: 28th April 2022

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

OPINION

We have audited the financial statements of The Isle of Wight Railway Company Limited (the 'parent charitable company' and its subsidiary (the 'charitable group') for the year ended 31 December 2021 which comprise the consolidated statement of financial activities (incorporating an income and expenditure account), consolidated balance sheet, parent charitable company balance sheet, consolidated statement of cashflows, parent charitable company statement of cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable group's and parent company's affairs as at 31 December 2021 and of the charitable groups' incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditors report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ISLE OF WIGHT RAILWAY COMPANY LIMITED - CONTINUED

OPINION 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 year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- The trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees report and from the requirement to prepare a strategic report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 11 in the trustees' report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, 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 ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ISLE OF WIGHT RAILWAY COMPANY LIMITED - CONTINUED

As part of planning our audit we determined materiality and assessed the risks of material misstatement in the financial statements. Based on our understanding of the charitable company and the group we identified the principal risks to both the charitable company and the group as management override of controls, risk of misclassification of expenses between capital and revenue, and potential for fraud in respect of revenue recognition particularly in respect of cash income.

Audit procedures performed by the engagement team included:

- A review of journals made in preparing the final results for preparation of the accounts, and a review of accounting estimates made by management.
- Review to ensure there are no transactions that have no apparent business or charitable purpose, or that have been processed outside the usual accounting systems.
- Extension of the sample sizes for audit testing carried out in relation to cash income, and consideration and testing of controls in place around this income.
- Extension of sample sizes for audit testing carried out around additions, and review of additions and repairs costs to ensure they are appropriately classified.
- Discussions with management, including consideration of any known or suspected instances of non-compliance with laws and regulations or fraud.

There are inherent limitations in the audit procedures described above, and the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we are to become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment or intentional misrepresentations.

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

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



GAVIN KELLY, ACA, FCCA (SENIOR STATUTORY AUDITOR)

for and on behalf of Bright Brown Limited Chartered Accountants
Statutory Auditor
Exchange House
St Cross Lane
Newport
Isle of Wight
PO30 5BZ

Date: 28/4/22

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Voluntary Income					
Donations		192,183	99,917	292,100	243,638
Grants	3	68,017	13,500	81,517	351,435
Legacies		58,247	-	58,247	11,713
Charitable activities					
Travel tickets		1,048,157	-	1,048,157	371,947
Membership subscriptions		40,182	9,647	49,829	37,875
Other trading activities					
Special events		285,108	-	285,108	190,974
Shop, catering and show income		740,756	-	740,756	253,032
Other income		8,737	-	8,737	2,215
Investments					
Interest received	4	387	-	387	862
Total		2,441,774	123,064	2,564,838	1,463,691
EXPENDITURE ON					
Raising Funds					
Administration and event costs	5	369,592	12,234	381,826	321,219
Shop, catering and show expenditure	5	600,224	-	600,224	277,225
Charitable activities					
Running and maintaining the Railway	5	960,973	26,121	987,094	930,848
Total		1,930,789	38,355	1,969,144	1,529,292
Unrealised gains/(losses) on investments	10	(943)	-	(943)	(3,687)
NET INCOME/(EXPENDITURE)		510,042	84,709	594,751	(69,288)
Transfer between funds	15a	9,900	(9,900)	-	-
Net movement in funds		519,942	74,809	594,751	(69,288)
RECONCILIATION OF FUNDS					
Total funds brought forward		4,169,126	124,468	4,293,594	4,362,882
TOTAL FUNDS CARRIED FORWARD		4,689,068	199,277	4,888,345	4,293,594

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes on pages 22 to 35 form part of these financial statements.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED
(Limited by Guarantee and not having any share capital)

Company No: 1068690
Charity No: 280918

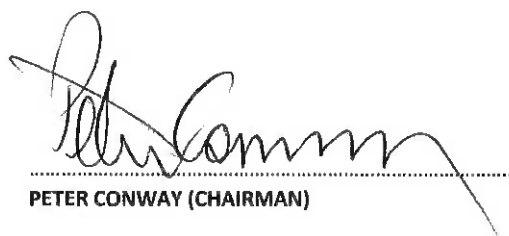
**CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021		2020	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9a		2,649,416		2,644,555
Heritage assets	9c		232,014		197,357
Investments	10		<u>1,981</u>		<u>2,924</u>
			<u>2,883,411</u>		<u>2,844,836</u>
CURRENT ASSETS					
Stock	11	108,622		94,527	
Debtors	12	79,851		62,758	
Cash at bank and in hand		<u>2,180,252</u>		<u>1,640,106</u>	
		<u>2,368,725</u>		<u>1,797,391</u>	
CREDITORS					
Amounts falling due within one year	13		<u>(184,624)</u>		<u>(119,466)</u>
NET CURRENT ASSETS			<u>2,184,101</u>		<u>1,677,925</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,067,512		4,522,761
CREDITORS					
Amounts falling due after one year	14		(179,167)		(229,167)
NET ASSETS			<u>4,888,345</u>		<u>4,293,594</u>
FUNDS					
Unrestricted funds	15a		4,689,068		4,169,126
Restricted funds	15a		199,277		124,468
			<u>4,888,345</u>		<u>4,293,594</u>

There are no shareholders' funds as the company is limited by guarantee.

These financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Trustees on 25/4/22 and were signed on its behalf by:


.....
PETER CONWAY (CHAIRMAN)

The notes on pages 22 to 35 form part of these financial statements.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

Company No: 1068690

Charity No: 280918

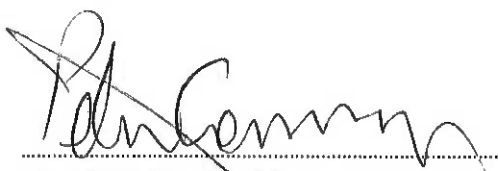
**PARENT CHARITABLE COMPANY BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021		2020	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9b		2,609,618		2,601,747
Heritage assets	9c		232,014		197,357
Investments	10		11,981		12,924
			<u>2,853,613</u>		<u>2,812,028</u>
CURRENT ASSETS					
Stock	11	17,374		19,684	
Debtors	12	215,617		134,652	
Cash at bank and in hand		<u>1,940,724</u>		<u>1,608,179</u>	
		2,173,715		1,762,515	
CREDITORS					
Amounts falling due within one year	13		<u>(167,366)</u>		<u>(107,367)</u>
NET CURRENT ASSETS			<u>2,006,349</u>		<u>1,655,148</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,859,962		4,467,176
CREDITORS					
Amounts falling due after one year	14		(179,167)		(229,167)
NET ASSETS			<u>4,680,795</u>		<u>4,238,009</u>
FUNDS					
Unrestricted funds	15b		4,481,518		4,113,541
Restricted funds	15b		199,277		124,468
			<u>4,680,795</u>		<u>4,238,009</u>

There are no shareholders' funds as the company is limited by guarantee.

These financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Trustees on 28/4/22 and were signed on its behalf by:


 PETER CONWAY (CHAIRMAN)

The notes on pages 22 to 35 form part of these financial statements.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	<u>782,470</u>	<u>123,120</u>
Net cash provided by (used in) operating activities		<u>782,470</u>	<u>123,120</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(221,878)	(461,740)
Interest received		<u>387</u>	<u>862</u>
Net cash provided by (used in) investing activities		<u>(221,491)</u>	<u>(460,878)</u>
Net cash provided by (used in) financing activities			
Proceeds of borrowing		-	229,167
Repayment of loan capital		<u>(20,833)</u>	<u>-</u>
Net cash provided by (used in) financing activities		<u>(20,833)</u>	<u>229,167</u>
Change in cash and cash equivalents in the reporting period		540,146	(108,591)
Cash and cash equivalents at the beginning of the reporting period		<u>1,640,106</u>	<u>1,748,695</u>
Cash and cash equivalents at the end of the reporting period		<u>2,180,252</u>	<u>1,640,104</u>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

1 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net income for the reporting period (as per the statement of financial activities)	594,751	(69,288)
Adjustments for:		
Depreciation charges	177,564	162,746
Loss on disposal of assets	4,796	44
interest received	(387)	(862)
Unrealised losses/(gains) on investments	943	3,687
Decrease/(increase) in stock	(14,095)	(6,800)
Decrease/(increase) in debtors	(17,093)	22,507
Increase/(decrease) in creditors	35,991	11,086
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	782,470	123,120

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

PARENT CHARITABLE COMPANY CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	570,085	207,203
Net cash provided by (used in) operating activities		<u>570,085</u>	<u>207,203</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(217,084)	(460,276)
Interest received		376	836
Net cash provided by (used in) investing activities		<u>(216,708)</u>	<u>(459,440)</u>
Net cash provided by (used in) financing activities			
Proceeds of borrowing		-	250,000
Repayment of loan capital		(20,833)	-
Net cash provided by (used in) financing activities		<u>(20,833)</u>	<u>250,000</u>
Change in cash and cash equivalents in the reporting period		332,545	(2,236)
Cash and cash equivalents at the beginning of the reporting period		<u>1,608,179</u>	<u>1,610,414</u>
Cash and cash equivalents at the end of the reporting period		<u>1,940,724</u>	<u>1,608,178</u>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE PARENT CHARITABLE COMPANY CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

1 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net income for the reporting period (as per the statement of financial activities)	442,786	29,132
Adjustments for:		
Depreciation charges	170,540	155,191
Loss on disposal of assets	4,015	35
Interest received	(376)	(836)
Unrealised losses/(gains) on investments	943	3,687
Decrease/(increase) in stock	2,310	(493)
Decrease/(increase) in debtors	(80,965)	34,208
Increase/(decrease) in creditors	30,832	(13,721)
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	570,085	207,203

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 GENERAL INFORMATION

The Isle of Wight Railway Company Limited is a private company limited by guarantee and incorporated in England. The financial statements are presented in Sterling, which is the functional currency of the charitable group. There are no material uncertainties about the charity's ability to continue. The Isle of Wight Railway Company Limited constitutes a public benefit entity as defined by FRS 102.

2 ACCOUNTING POLICIES

a Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006 and the Charities Act 2011. The financial statements have been prepared under the historical cost convention as modified by the revaluation of listed fixed asset investments.

b Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Isle of Wight Railway Company Limited and its subsidiary IWR Trading Limited to 31 December each year. The accounts have been consolidated on a line by line basis and intra group transactions have been eliminated on consolidation.

c Heritage Assets

It is the charity's policy not to capitalise any heritage assets where it is not possible to place any reliable value on them. All heritage assets that can be reliably valued are included on the balance sheet at cost or valuation less accumulated depreciation. The charity has a collection of working steam locomotives and rolling stock, which are held to support their objectives of education and maintenance of the Isle of Wight Steam Railway. The trustees do not consider that reliable cost or valuation can be obtained for the majority of the locomotives in their collection, due to the rarity and lack of liquid market for them. The charity does not therefore recognise these assets on the balance sheet.

d Property, Plant and Equipment

Property, plant and equipment has been valued at cost less accumulated depreciation.

e Depreciation

Depreciation is provided on the following tangible fixed assets, at rates calculated to write off the cost of each asset over its anticipated useful life using the reducing balance method unless otherwise stated.

Freehold property	3% per annum
Permanent way	5% per annum
Motor vehicles	25% per annum
Tools and miscellaneous equipment	25% per annum
No. 38, Barclay 0-6-0T <i>Ajax</i>	10% per annum on cost from date brought into service
Ivatt Engines 46447 and 41313	10% per annum on cost from date brought into service
Drewry Railcar	5% per annum on cost from date brought into service
Office equipment	20% per annum
Improvements to property	20% per annum

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

2 ACCOUNTING POLICIES (CONTINUED)

f Investments

Investments in listed entities are initially recognised at cost, or where such assets are donated at the fair value at the date ownership passed to the charity. Subsequently, listed investments are measured at fair value through the profit or loss account. Fair value will be determined by the active market price.

Investments in unlisted entities are measured at cost less amortisation as no fair value can be reliably determined.

g Stocks

Stock is valued at the lower of cost and net realisable value. In determining the value, cost is the cost incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

h Income

Voluntary Income

Voluntary income is recognised in the Statement of Financial Activities once the charitable company has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

For donations this is generally upon receipt. In the individual company accounts donations from the trading subsidiary are also recognised on receipt.

For legacies this is when the charity is notified of an impending distribution or receipt of a legacy, provided the value of the incoming resources can be measured with sufficient reliability.

Grants are recognised when unconditional entitlement to the income is passed to the charitable company. Where there are performance related terms and conditions that must be met before unconditional entitlement passes to the charitable company, the income is recognised once it is highly probable that these will be met. Where no such conditions exist the income is recognised when it is received.

Charitable and Other Trading Activities

Income from trading activities, including travel tickets, special events tickets, shop, catering and shows income, is recognised, net of VAT and all other sales taxes when the goods are delivered or services are provided.

Membership income is recognised evenly over the period the membership relates to.

Investment Income

Interest receivable is recognised over the period it is accrued except where there are conditions imposed that must be met before interest is received. Where this is the case the income is recognised once the conditions have been met.

i Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

2 ACCOUNTING POLICIES (CONTINUED)

j Taxation

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

k Fund Accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

l Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

m Creditors

Short term creditors are measured at transaction (invoice) price.

Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

n Going Concern

The accounts are prepared on a going concern basis. There are no uncertainties about the charitable company's ability to continue as a going concern.

	Unrestricted 2021 £	Restricted 2021 £	Total funds 2021 £	Total funds 2020 £
3 GRANTS RECEIVABLE				
Coronavirus Job Retention Scheme	27,435	-	27,435	178,353
Rural Payments Agency	-	-	-	116,457
Other grants	40,582	13,500	54,082	56,625
	<u>68,017</u>	<u>13,500</u>	<u>81,517</u>	<u>351,435</u>
4 INVESTMENT INCOME				
Interest from UK bank accounts	<u>387</u>	<u>-</u>	<u>387</u>	<u>862</u>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	£	£
6 GROUP OPERATING SURPLUS		
Group operating surplus (2020: deficit) is stated after charging:		
Auditors' remuneration	5,400	4,700
Auditors' remuneration non-audit fees	2,150	2,150
Expenditure on operating leases	13,500	18,000
Depreciation	174,110	162,746
Loss on disposal of fixed assets	<u>4,796</u>	<u>44</u>
and after crediting:		
Interest received	<u>387</u>	<u>862</u>
7 EMPLOYEES AND TRUSTEES		
Gross salaries	696,321	654,501
Employers national insurance contributions	34,596	34,845
Pension Costs	8,867	9,586
Training Costs	4,888	240
Total employee costs	<u>744,672</u>	<u>699,172</u>

The average number of employees for the year amounted to 21 full time (2020 - 25), 15 part time (2020 - 18), and 8 seasonal (2020 - 7). Of these a total of 37 employees worked for the charity and 7 for the trading company. No employees received remuneration of £60,000 or higher.

Two (2020: Two) members of staff who are connected to trustees were employed by the charity during the year earning a total of £14,574 (2020: £24,295). This is permissible according to the charity's articles and memorandum. No Trustees earned a salary during the year (2020: £NIL).

8a PARENT COMPANY INCOME AND EXPENDITURE ACCOUNT

No Income and Expenditure Account is presented for the Isle of Wight Railway Company Limited as permitted by section 408 of the Companies Act 2006. The surplus stated in the accounts for the year ended 31 December 2021 was £442,786 (2020: £29,132), comprising unrestricted funds surplus before transfers of £358,077 (2020: £15,829) and restricted funds surplus before transfers of £84,709 (2020 deficit: -£13,303).

8b SUBSIDIARY COMPANY INCOME AND EXPENDITURE

The turnover for IWR Trading Limited for the year ended 31 December 2021 was £740,756 (2020: £253,035). The net surplus after tax and before donations to the charity for the year ended 31 December 2021 was £161,248 (2020: £6,662). Total assets at 31 December 2021 were £371,075 (2020: £149,579), total liabilities were £153,524 (2020: £83,993) and shareholder's funds amounted to £217,551 (2020: £65,586). Its primary activity is trading in support of The Isle of Wight Railway Company Ltd.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

9a TANGIBLE FIXED ASSETS - GROUP

	Permanent way, tools, equipment £	Office equipment £	Motor vehicles £	Fixtures & fittings £	Freehold property £	Property improve - ments £	Total £
Cost							
At 1 January 2021	1,082,851	118,739	10,750	110,888	2,547,126	764,949	4,635,303
Additions	77,494	28,426	-	4,794	40,191	1,898	152,803
Disposals	(254)	(29,555)	-	(3,220)	-	-	(33,029)
At 31 December 2021	1,160,091	117,610	10,750	112,462	2,587,317	766,847	4,755,077
Depreciation							
At 1 January 2021	659,377	80,722	9,354	68,080	556,965	616,250	1,990,748
Charge for year	38,427	12,486	349	7,023	54,742	30,119	143,146
Disposals	(251)	(25,543)	-	(2,439)	-	-	(28,233)
At 31 December 2021	697,553	67,665	9,703	72,664	611,707	646,369	2,105,661
Net book value							
At 31 December 2021	462,538	49,945	1,047	39,798	1,975,610	120,478	2,649,416
At 31 December 2020	423,474	38,017	1,396	42,808	1,990,161	148,699	2,644,555

9b TANGIBLE FIXED ASSETS - COMPANY

	Permanent way, tools, equipment £	Office equipment £	Motor vehicles £	Freehold property £	Property improve - ments £	Total £
Cost						
At 1 January 2021	1,082,851	118,739	10,750	2,547,126	764,949	4,524,415
Additions	77,494	28,426	-	40,191	1,898	148,009
Disposals	(254)	(29,555)	-	-	-	(29,809)
At 31 December 2021	1,160,091	117,610	10,750	2,587,317	766,847	4,642,615
Depreciation						
At 1 January 2021	659,377	80,722	9,354	556,965	616,250	1,922,668
Charge for year	38,427	12,486	349	54,742	30,119	136,123
Disposals	(251)	(25,543)	-	-	-	(25,794)
At 31 December 2021	697,553	67,665	9,703	611,707	646,369	2,032,997
Net book value						
At 31 December 2021	462,538	49,945	1,047	1,975,610	120,478	2,609,618
At 31 December 2020	423,474	38,017	1,396	1,990,161	148,699	2,601,747

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

9c HERITAGE ASSETS

	Group				Company			
	Ajax £	Ivatts £	Drewry	Total £	Ajax £	Ivatts £	Drewry	Total £
Cost								
At 1 January 2021	45,478	309,644	-	355,122	45,478	309,644	-	355,122
Additions	-	-	69,075	69,075	-	-	69,075	69,075
At 31 December 2021	45,478	309,644	69,075	424,197	45,478	309,644	69,075	424,197
Depreciation								
At 1 January 2021	45,478	112,287	-	157,765	45,478	112,287	-	157,765
Charge for year	-	30,964	3,454	34,418	-	30,964	3,454	34,418
At 31 December 2021	45,478	143,251	3,454	192,183	45,478	143,251	3,454	192,183
Net book value								
At 31 December 2021	-	166,393	65,621	232,014	-	166,393	65,621	232,014
At 31 December 2020	-	197,357	-	197,357	-	197,357	-	197,357

The trustees consider Heritage Assets to comprise locomotives, coaches, wagons, infrastructure and artefacts which were or could have been a part of the Isle of Wight railway system and emanating from one or more of the following: (1) the Island's pre-Grouping railway companies, (2) The Southern Railway, (3) British Railways Southern Region, (4) their successor organisations. The collection consists of fifteen locomotives (12 steam, 3 diesel), details of which can be found on the charity's website: <http://iwsteamrailway.co.uk/heritage/our-rolling-stock/locomotives/>. These locomotives are used to transport the public, in furtherance of the charity's objectives.

Two locomotives, Ivatt 46447 and Austerity *Juno* are on contracted loans to the East Somerset Railway and National Railway Museum respectively. Some other locomotive assets are occasionally loaned out on a short term basis to other steam railways or if suitable promotional opportunities arise. The remainder of the collection, when not in use, are maintained and mostly stored in the Train Story facility at the Isle of Wight Steam Railway.

It is not possible to get a reliable estimate of the value of the collection. There are three locomotives reported on the balance sheet, *Ajax*, Ivatt 41313 and Ivatt 46447. The remaining locomotives are not reported on the balance sheet as their valuation cannot be readily assessed in accordance with accounting policy 2c. *Ajax* was purchased and therefore was included in the balance sheet at this cost. Ivatt 41313 and 46447 were donated to the Isle of Wight Steam Railway by the Ivatt Locomotive Trust and the only amounts capitalised are the costs of bringing the assets into working condition as the value of the assets cannot be readily assessed. These costs are considered by the trustees to have a useful life of 10 years, the time until the next overhaul is required.

The locomotives are maintained by specialised engineers at the Isle of Wight Steam Railway and the steam locomotives undergo a complete overhaul after not more than 10 years use to ensure they are kept in pristine condition. A register of the repairs completed and required is held by the charity. Costs of these repairs are recognised in the SOFA in the period they are incurred. All acquisitions and disposals of heritage assets must first be approved by the board of trustees and a register of heritage assets is maintained and held in the museum. This register will be made available to the public on request.

Ivatts 46447 and 41313 are both being depreciated on a straight line basis over a 10 year term from the dates which they entered service.

There was an addition of a Drewry railcar and the rolling chassis of its related trailer car as heritage assets in the year (2020: £NIL, 2019: £NIL, 2018: £Nil 2017: £44,014, 2016: £70,646). There were no disposals of any heritage assets, nor any impairments during the year, or any of the last four reporting periods.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
10 FIXED ASSET INVESTMENTS				
LISTED INVESTMENTS				
FAIR VALUE				
At 1 January 2021	2,924	6,611	2,924	6,611
Additions	-	-	-	-
Revaluations	(943)	(3,687)	(943)	(3,687)
At 31 December 2021	<u>1,981</u>	<u>2,924</u>	<u>1,981</u>	<u>2,924</u>

The listed investments are shares bequeathed to the charity.

UNLISTED INVESTMENTS

Investment in subsidiary at cost	-	-	10,000	10,000
Total fixed asset investments	<u>1,981</u>	<u>2,924</u>	<u>11,981</u>	<u>12,924</u>

The subsidiary, which is included in the charitable company's accounts, is as follows:

Name	IWR Trading Limited (Company No. 02769446)
Registered office	The same as that of The Isle of Wight Railway Company Limited as detailed on page 8 .
Principal Activity	Retail services
Country of Incorporation	England and Wales
Shares Held	50 ordinary £1 shares
Proportion Held	100%
Voting Rights	One vote per share

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
11 STOCK				
Catering, bar and show	9,824	10,376	-	-
Shop	81,424	64,467	-	-
Santa stock, coal and other stock	17,374	19,684	17,374	19,684
	<u>108,622</u>	<u>94,527</u>	<u>17,374</u>	<u>19,684</u>
12 DEBTORS				
Trade debtors	16,079	2,468	16,079	2,468
Amounts owed by group undertakings	-	-	136,163	71,347
Other debtors	63,772	60,290	63,375	60,837
	<u>79,851</u>	<u>62,758</u>	<u>215,617</u>	<u>134,652</u>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
13 CREDITORS: AMOUNTS DUE WITHIN 1 YEAR				
Bank loans	50,000	20,833	50,000	20,833
Trade creditors	44,959	45,659	32,183	38,204
Covenanted loan	100	100	100	100
Taxation and social security	12,748	12,016	11,980	11,289
Accruals	39,978	38,233	36,662	34,534
Other creditors	36,839	2,625	36,441	2,407
	<u>184,624</u>	<u>119,466</u>	<u>167,366</u>	<u>107,367</u>
14 CREDITORS: AMOUNTS DUE AFTER 1 YEAR				
Loan due in more than 1 year	<u>179,167</u>	<u>229,167</u>	<u>179,167</u>	<u>229,167</u>

The bank loan, taken out in July 2020, is repayable over 5 years with no penalty for early repayment. The loan is interest free for the first 12 months after which interest is payable at 2.16% above the base rate.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

	Balance 01/01/2021 £	Income £	Expense £	Transfers £	Total funds 31/12/2021 £
15a MOVEMENT IN FUNDS - GROUP					
Unrestricted funds					
General fund	771,198	2,383,477	(1,930,360)	79,142	1,303,457
Fixed asset reserve	2,844,836	-	-	38,575	2,883,411
Designated / legacies fund	553,092	58,297	(1,372)	(107,817)	502,200
Total unrestricted funds	4,169,126	2,441,774	(1,931,732)	9,900	4,689,068
Restricted funds					
Carriage and wagon restoration	43,068	64,903	(17,348)	-	90,623
The Museum fund	11,337	22,985	(9,942)	-	24,380
Maycock fund	8,016	3,779	(3,696)	-	8,099
IWSR 200 Club	913	8,330	(7,220)	-	2,023
Wootton	47,347	13,542	(149)	-	60,740
Drewry Railcar	6,618	3,282	-	(9,900)	-
<i>Calbourne</i>	-	31	-	-	31
The Grand Plan	425	-	-	-	425
Possible acquisition	4,755	60	-	-	4,815
<i>Invincible</i>	1,989	6,152	-	-	8,141
Total restricted funds	124,468	123,064	(38,355)	(9,900)	199,277
Total Funds	4,293,594	2,564,838	(1,970,087)	-	4,888,345
15b MOVEMENT IN FUNDS - COMPANY					
Unrestricted funds					
General fund	758,421	1,683,274	(1,382,122)	76,132	1,135,705
Fixed asset reserve	2,802,028	-	-	41,585	2,843,613
Designated / legacies fund	553,092	58,297	(1,372)	(107,817)	502,200
Total unrestricted funds	4,113,541	1,741,571	(1,383,494)	9,900	4,481,518
Restricted funds					
Carriage and wagon restoration	43,068	64,903	(17,348)	-	90,623
The Museum fund	11,337	22,985	(9,942)	-	24,380
Maycock fund	8,016	3,779	(3,696)	-	8,099
IWSR 200 Club	913	8,330	(7,220)	-	2,023
Wootton	47,347	13,542	(149)	-	60,740
Drewry Railcar	6,618	3,282	-	(9,900)	-
<i>Calbourne</i>	-	31	-	-	31
The Grand Plan	425	-	-	-	425
Possible acquisition	4,755	60	-	-	4,815
<i>Invincible</i>	1,989	6,152	-	-	8,141
Total restricted funds	124,468	123,064	(38,355)	(9,900)	199,277
Total Funds	4,238,009	1,864,635	(1,421,849)	-	4,680,795

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
15c ANALYSIS OF NET ASSETS BETWEEN FUNDS				
Group				
Fixed assets	2,883,411	-	2,883,411	2,844,836
Current assets	2,169,448	199,277	2,368,725	1,797,391
Current liabilities	(184,624)	-	(184,624)	(119,466)
Long term liabilities	(179,167)	-	(179,167)	(229,167)
	<u>4,689,068</u>	<u>199,277</u>	<u>4,888,345</u>	<u>4,293,594</u>
Company				
Fixed assets	2,853,613	-	2,853,613	2,812,028
Current assets	1,974,438	199,277	2,173,715	1,762,515
Current liabilities	(167,366)	-	(167,366)	(107,367)
Long term liabilities	(179,167)	-	(179,167)	(229,167)
	<u>4,481,518</u>	<u>199,277</u>	<u>4,680,795</u>	<u>4,238,009</u>

15d DETAILS OF FUNDS

Designated / legacies fund

The designated / legacies fund consists of income received from legacies where there is a desire for the money to be spent on a particular project but no legal obligation. Legacies have also been received which have no specific direction as to how the funds are spent.

Fixed asset reserve

This fund represents the amount of unrestricted fixed assets held by the charity.

Restricted funds

Carriage and wagon restoration - for the restoration of carriages and wagons including grant income

Museum fund - in the furtherance of the development of the museum (heritage and learning)

Maycock fund - in coach and wagon restoration

IWSR 200 fund - for the provision of volunteer facilities and other designated projects

Wootton - restoration/renovation of Wootton Station

Drewry Railcar - restoration of the Drewry Railcar and its related trailer car.

Calbourne - restoration of *Calbourne*

Invincible - restoration of *Invincible*

Possible acquisition - towards the acquisition of a specific locomotive for display should it become available

The Grand Plan - New buildings at Havenstreet as described in the strategic vision

Transfers between funds

Transfers out of funds and into the fixed asset fund represent equipment and other long term assets purchased by those funds, but which are now available as fixed assets for the general unrestricted use of the charity. Depreciation of those assets is then transferred out of the fixed asset reserve to offset the charge to the general fund. Transfers into funds represent transfers between funds correcting the allocation of costs incorrectly allocated in the previous year.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Balance 01/01/2020 £	Income £	Expense £	Transfers £	Total funds 31/12/2020 £
15e PRIOR YEAR COMPARATIVES FOR THE MOVEMENT IN FUNDS - GROUP					
Unrestricted funds					
General fund	868,917	1,211,843	(1,415,230)	105,668	771,198
Fixed asset reserve	2,549,575	-	-	295,261	2,844,836
Designated / legacies fund	832,056	124,483	(3,687)	(399,760)	553,092
Total unrestricted funds	4,250,548	1,336,326	(1,418,917)	1,169	4,169,126
Restricted funds					
Carriage and wagon restoration	31,890	31,764	(27,097)	6,511	43,068
The Museum fund	11,534	4,561	(2,518)	(2,240)	11,337
Maycock fund	8,705	311	(1,000)	-	8,016
IWSR 200 Club	2,358	6,560	(8,005)	-	913
Wootton	50,611	7,508	(5,332)	(5,440)	47,347
Drewry Railcar	226	31,004	(24,612)	-	6,618
<i>Calbourne</i>	1,364	44,032	(45,396)	-	-
The Grand Plan	425	-	-	-	425
Possible acquisition	3,280	1,475	-	-	4,755
<i>Invincible</i>	1,941	150	(102)	-	1,989
Total restricted funds	112,334	127,365	(114,062)	(1,169)	124,468
Total Funds	4,362,882	1,463,691	(1,532,979)	-	4,293,594

15f PRIOR YEAR COMPARATIVES FOR THE MOVEMENT IN FUNDS - COMPANY

Unrestricted funds					
General fund	763,820	1,073,325	(1,178,292)	99,568	758,421
Fixed asset reserve	2,500,667	-	-	301,361	2,802,028
Designated / legacies fund	832,056	124,483	(3,687)	(399,760)	553,092
Total unrestricted funds	4,096,543	1,197,808	(1,181,979)	1,169	4,113,541
Restricted funds					
Carriage and wagon restoration	31,890	31,764	(27,097)	6,511	43,068
The Museum fund	11,534	4,561	(2,518)	(2,240)	11,337
Maycock fund	8,705	311	(1,000)	-	8,016
IWSR 200 Club	2,358	6,560	(8,005)	-	913
Wootton	50,611	7,508	(5,332)	(5,440)	47,347
Drewry Railcar	226	31,004	(24,612)	-	6,618
<i>Calbourne</i>	1,364	44,032	(45,396)	-	-
The Grand Plan	425	-	-	-	425
Possible acquisition	3,280	1,475	-	-	4,755
<i>Invincible</i>	1,941	150	(102)	-	1,989
Total restricted funds	112,334	127,365	(114,062)	(1,169)	124,468
Total Funds	4,208,877	1,325,173	(1,296,041)	-	4,238,009

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

16 RELATED PARTY DISCLOSURES

Eight (2020: Eight) trustees received reimbursement for travel, accommodation and small sundry expenses of £424 (2020: £531). Total donations received from trustees in the year amounted to £19,748.

17 OTHER FINANCIAL COMMITMENTS

At 31 December 2021 the charity had commitments under non-cancellable operating leases as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Due within one year	-	13,500	-	13,500
	<u>-</u>	<u>13,500</u>	<u>-</u>	<u>13,500</u>

18 CAPITAL COMMITMENTS

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities amounted to £62,450 at the year end (2020: £74,000).

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

	Unrestricted Funds £	Restricted Funds £	Total 2020 £
19 PRIOR YEAR COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES			
INCOME AND ENDOWMENTS FROM			
Voluntary Income			
Donations	122,833	120,805	243,638
Grants	351,435	-	351,435
Legacies	11,713	-	11,713
Charitable Activities			
Travel tickets	371,947	-	371,947
Membership subscriptions	31,315	6,560	37,875
Other Trading Activities			
Special events	190,974	-	190,974
Shop, catering and show income	253,032	-	253,032
Other income	2,215	-	2,215
Investments			
Interest received	862	-	862
Total	<u>1,336,326</u>	<u>127,365</u>	<u>1,463,691</u>
EXPENDITURE ON			
Raising Funds			
Administration and event costs	287,752	33,467	321,219
Shop, catering and show expenditure	277,225	-	277,225
Charitable activities			
Running and maintaining the Railway	850,253	80,595	930,848
Total	<u>1,415,230</u>	<u>114,062</u>	<u>1,529,292</u>
Unrealised gains/(losses) on investments	(3,687)	-	(3,687)
NET INCOME/(EXPENDITURE)	<u>(82,591)</u>	<u>13,303</u>	<u>(69,288)</u>
Transfer between funds	1,169	(1,169)	-
Net movement in funds	<u>(81,422)</u>	<u>12,134</u>	<u>(69,288)</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	4,250,548	112,334	4,362,882
TOTAL FUNDS CARRIED FORWARD	<u><u>4,169,126</u></u>	<u><u>124,468</u></u>	<u><u>4,293,594</u></u>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	£	£
UNRESTRICTED FUNDS		
Income		
Travel tickets	1,035,133	367,038
Platform tickets	13,024	4,909
Santa specials	108,243	96,899
Other special events	176,865	94,075
Membership subscriptions	40,182	31,315
Bank interest received	376	836
Management charge to subsidiary	32,807	23,000
Rent received	12,143	10,942
Legacies	58,247	11,713
Sundry income	4,579	(742)
Donations		
General donations	192,183	122,833
Gift aid donation from subsidiary	9,283	105,081
Grants		
Rural Payments Agency	-	116,457
Coronavirus Job Retention Scheme	17,924	156,827
Other grants	40,582	56,625
Total income	<u>1,741,571</u>	<u>1,197,808</u>
Expenditure		
Engineering	448,042	400,590
Marketing and operating	230,812	192,487
Sites and estates	143,018	113,050
Heritage and learning	8,520	1,766
Administration	326,364	284,642
Membership	26,714	16,367
Finance costs	24,525	14,164
Depreciation	174,556	155,226
Revaluations of listed investments	943	3,687
	<u>1,383,494</u>	<u>1,181,979</u>
Surplus of income over expenditure on unrestricted funds	<u>358,077</u>	<u>15,829</u>

This page does not form part of the statutory financial statements.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

SCHEDULE OF EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	£	£
Engineering		
Employee costs	303,135	295,702
Fuel and coal	63,850	31,398
Other locomotive running costs	20,193	15,938
Carriage and wagon maintenance	8,873	4,135
Permanent way maintenance	18,458	9,032
Workshops	15,525	6,391
Rolling stock repairs and refurbishment (Principally W24, Oldbury 21, and SECR6375)	18,008	37,994
Other designated fund engineering costs	-	-
	<u>448,042</u>	<u>400,590</u>
Marketing and operating		
Publicity	75,447	45,280
Employee costs	91,072	99,413
Operating costs	3,427	1,548
Printing and artwork	737	225
Exhibitions and sundries	10,908	5,613
Santa specials	28,402	28,219
Other specials	20,819	12,189
	<u>230,812</u>	<u>192,487</u>
Sites and estates		
Repair and maintenance	61,060	41,103
Cleaning and consumables	5,728	5,491
Employee costs	76,230	66,456
	<u>143,018</u>	<u>113,050</u>
Heritage and learning		
Employee costs	1,958	-
Education	125	-
General daily expenses	6,437	1,766
	<u>8,520</u>	<u>1,766</u>
Administration		
Employee costs	117,553	103,262
Insurance	56,684	58,621
Printing, stationery and postage	14,637	6,801
Heat, Light and Water charges	68,510	49,918
Health and safety and company doctor	2,190	11,652
Telephone	8,454	5,074
AGM & annual report	571	1,088
Sundry expenses	30,330	24,107
Subscriptions	3,632	3,713
Legal and professional fees	991	180
Rates	4,812	2,226
Rent	18,000	18,000
	<u>326,364</u>	<u>284,642</u>

This page does not form part of the statutory financial statements.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

SCHEDULE OF EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	£	£
Membership		
<i>Island Rail News</i>	21,788	15,109
Sundry	4,926	1,258
	<u>26,714</u>	<u>16,367</u>
Finance costs		
Audit fees	4,750	4,100
Bad debts	-	1,491
Bank charges	1,370	404
Bank interest	5,561	-
Credit card charges	12,124	7,791
Miscellaneous	720	378
Other interest	-	-
Revaluations of listed investments	-	-
	<u>24,525</u>	<u>14,164</u>
Depreciation		
Motor vehicles	349	465
Track and equipment	38,427	34,670
Office equipment	12,486	9,504
Improvements to property	30,119	37,175
Freehold property	54,742	42,413
Locomotive	30,964	30,964
Drewry Railcar	3,454	-
Losses on disposal of assets	4,015	35
	<u>174,556</u>	<u>155,226</u>
Total unrestricted expenditure	<u>1,382,551</u>	<u>1,178,292</u>

This page does not form part of the statutory financial statements.

IWR TRADING LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

	2021		2020	
	£	£	£	£
Shop				
Takings		292,158		116,984
Cost of sales				
Opening stock	64,467		63,218	
Purchases	175,485		66,461	
Wages	10,385		3,315	
Closing Stock	<u>(81,424)</u>		<u>(64,467)</u>	
		<u>168,913</u>		<u>68,527</u>
Gross Profit		<u>123,245</u>		<u>48,457</u>
Credit card charges	10,974		4,852	
Repairs and renewals	<u>1,550</u>		<u>2,781</u>	
		<u>12,524</u>		<u>7,633</u>
Net Profit		<u><u>110,721</u></u>		<u><u>40,824</u></u>
Catering				
Takings		370,044		127,593
Calbourne Room bookings		6,713		30
Costs of sales				
Opening stock	9,855		4,723	
Purchases	132,547		52,812	
Wages	115,744		72,023	
Closing stock	<u>(8,563)</u>		<u>(9,855)</u>	
		<u>249,583</u>		<u>119,703</u>
Gross profit		<u>127,174</u>		<u>7,920</u>
Repairs and renewals	<u>11,251</u>		<u>8,544</u>	
		<u>11,251</u>		<u>8,544</u>
Net profit		<u><u>115,923</u></u>		<u><u>(624)</u></u>
Bar				
Takings		43,728		8,378
Costs of sales				
Opening stock	371		445	
Bar purchases	23,416		4,874	
Closing stock	<u>(781)</u>		<u>(371)</u>	
		<u>23,006</u>		<u>4,948</u>
Net profit		<u><u>20,722</u></u>		<u><u>3,430</u></u>
Shows and special events				
Takings		28,113		47
Direct costs				
Site costs and administration	50,718		1,478	
Closing stock	<u>(480)</u>		<u>-</u>	
		<u>50,238</u>		<u>1,478</u>
Gross profit/(loss)		<u>(22,125)</u>		<u>(1,431)</u>
Show publicity	<u>3,258</u>		<u>-</u>	
		<u>3,258</u>		<u>-</u>
Net profit/(loss)		<u><u>(25,383)</u></u>		<u><u>(1,431)</u></u>
Trading Profit		<u><u>221,983</u></u>		<u><u>42,199</u></u>

This page does not form part of the statutory financial statements.

IWR TRADING LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

	2021		2020	
	£	£	£	£
Trading profit		221,983		42,199
Other income				
Government grants received		9,511		21,526
Overheads				
Rent	7,985		7,985	
Management charges	32,807		23,000	
Insurance	6,400		5,370	
Audit fees	2,800		2,750	
Bank charges	2,978		1,011	
General Manager	9,470		9,360	
Sundry expenses	13		50	
Depreciation	7,023		7,555	
Loss on disposal of tangible assets	781		9	
		<u>70,257</u>		<u>57,090</u>
Total net profit		<u>161,237</u>		<u>6,635</u>
Bank interest received		11		26
Net profit before gift aid donation		<u>161,248</u>		<u>6,661</u>
Donations to Isle of Wight Railway		(9,283)		(105,081)
Retained profit / (loss)		<u><u>151,965</u></u>		<u><u>(98,420)</u></u>

This page does not form part of the statutory financial statements.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

England & Wales - Charity number 280918

Accounts

The Isle of Wight Railway Company Limited

Audited Financial Statements

For the Year Ended 31 December 2020

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

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THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

CHARITY INFORMATION

**REGISTERED OFFICE
AND PRINCIPAL ADDRESS** The Railway Station
Havenstreet
Isle of Wight
PO33 4DS

COMPANY NO 1068690

CHARITY NO 280918

DIRECTORS AND TRUSTEES

The directors of the charitable company ("the charity") are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. The trustees serving during the year and since the year end were as follows:

Anthony Barry	Derek Bishop
Stephen Castle	Peter Conway (Chairman)
Stuart Duddy	George Felton
Simon Futchter	James Loe
Andrew Merritt	Stephen Oates
Stephen Smart	Malcolm Smith
John Suggett	Iain Whitlam

CHANGES IN TRUSTEES DURING THE YEAR

Peter Taylor Appointed 1 January 2020

SECRETARY Iain Whitlam

FORM OF ACCOUNTS Consolidated accounts of The Isle of Wight Railway Company Limited and IWR Trading Limited.

CHARITABLE STATUS The company is a UK Registered Charity No. 280918

BANKERS Lloyds Bank PLC
22 St Thomas Square
Newport
Isle of Wight

SOLICITORS Eldridges
36-37 St James' Street
Newport
Isle of Wight

REGISTERED AUDITORS Bright Brown Limited
Exchange House
St Cross Lane
Newport
Isle of Wight

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their annual report with the financial statements of the group, parent company and its subsidiary undertakings for the year ended 31 December 2020 which has been prepared in accordance with statutory requirements (FRS102 and FRS 102 SORP) and the charitable company's governing document.

The legal and administrative information set out on page 11 forms part of this report.

GOVERNANCE

The Isle of Wight Railway Company Limited is constituted under its articles and memorandum and is a registered charity no. 280918. It was incorporated on 13th August 1972. Its subsidiary IWR Trading Limited was incorporated 1st December 1992.

The Isle of Wight Railway Company Limited is a registered charitable company limited by guarantee, not having any share capital. Members guarantee to pay during their membership and within one year after they cease to be a Member, in the event of a winding-up order, a sum not exceeding five pounds for payment of debts and liabilities contracted by the charitable company before they ceased to be a member.

APPOINTMENT OF TRUSTEES

Any fully paid member of the charitable company may put his name forward for membership of the Board subject to compliance of article 33 (d) (i) of the company's Articles of Association. In addition, the Board has the right to invite fully paid up members to put their names forward. Elections to the Board are subject to a confidential vote of members at the company's Annual General Meeting. Those members unable to attend such meeting may vote by proxy. The Board also has the right to co-opt additional members on to the Board at any time during the year to fill vacancies but these nominees will then be subject to the election process at the subsequent Annual General Meeting. Matters relating to membership of the Board are fully covered in articles 31 - 37 of the charitable company's Articles

ORGANISATIONAL STRUCTURE

The Board has the responsibility for establishing policy. Delivery of these policy decisions is the responsibility of the General Manager who works with the charitable company's Heads of Department who cover the following operations: rolling stock, civil engineering and estates, health and safety, operating, retail and catering, commercial, heritage and learning (formerly museum and archive), finance and administration. All staff and volunteers working within these departments are responsible to their Head of Department. A management structure has been designed whereby all heads of department report to the General Manager, who is responsible to the board. All new Trustees are given induction training, and training during the year, on the work of the charity and on specific issues.

The General Manager also oversees the charity's wholly owned UK trading subsidiary, through which the shop and café are operated.

RISK MANAGEMENT

The trustees have examined the major strategic, business and operational risks which the charitable company faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen those risks.

VOLUNTEERS, DONATIONS & BEQUESTS

The charity is very grateful for the work contributed by volunteers and for the donations received both for specific projects and general funds. The trustees also wish to acknowledge with thanks the bequests the charity has received from the wills of members and friends of the railway who have sadly passed away.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 - CONTINUED

OBJECTIVES AND ACTIVITIES

The principal activity of the charitable company in the year under review continued to be the retention, preservation, restoration and operation of a portion of the railways in the Isle of Wight as a permanent exhibition and working museum for the advancement of technical, historical and general education. In November 2018 the Railway was awarded Accredited Museum status by the Arts Council England.

CHARITY'S MAIN OBJECTIVES IN THE YEAR

A full report of the charity's activities during the year is included in the preceding annual reviews. The Board published a Strategic Vision Document in June 2009, which was revised in 2013 and again in 2017.

ACHIEVEMENTS AND PERFORMANCE

The achievements and performance of the charity during the year are detailed on pages 3 to 8 of this annual report. The trustees report, that in their opinion, considering the challenges COVID-19 has presented to all charities this has been a successful year for the charity.

RESULTS FOR THE FINANCIAL YEAR

Total income for both the charity and subsidiary for the year amounted to £1,463,691 (2019: £2,423,807). Administration and event costs amounted to £323,019 (2019: £459,083), shop, catering and show expenditure amounted to £282,625 (2019: £496,066), expenditure on running and maintaining the railway amounted to £923,648 (2019: £1,165,378) The overall deficit for the year amounted to £69,288 (2019: surplus £305,353).

RESERVES POLICY

It is the policy of the charitable company to maintain unrestricted funds, which are the free reserves of the charitable company, at a level which equates to approximately four months unrestricted expenditure in order to avoid operating cashflow problems. The overall reserves of the group held at 31 December 2020 amounted to £4,293,594 of which £124,468 are held for restricted purposes. Reserves of £2,844,836 are held as fixed assets including investments, and £553,092 of reserves relating to legacies received have been designated for specific purposes by trustees. This leaves £771,198 of free unrestricted reserves.

This level of free reserves is considered by the Trustees to be sufficient to meet the reserves policy of approximately four months expenditure.

PRINCIPAL FUNDING SOURCES

The charity's principal funding sources continue to be from donations and membership income, shop, catering, ticket sales and other special events income. Once the costs of generating these funds has been deducted, the majority of the remaining funds are used in support of the key objectives of the charity, that is the maintenance and running of the railway.

INVESTMENT POLICY

Under the charity's governing document, the trustees have the power to invest the monies of the charitable company not immediately required, in any such manner as the trustees may from time to time determine.

FUTURE PLANS

Details of the charity's strategy plans are published on the website www.iwsteamrailway.co.uk. This includes the Strategic Vision Document from which detailed plans for the future will be produced.

PUBLIC BENEFIT

The board of Trustees understands the requirements as set out in Section 17(5) of the Charities Act 2011 and takes the view that The Isle of Wight Railway Company completely satisfies all guidance issued by the Charity Commission with regard to public benefit.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019 - CONTINUED

TRUSTEES' RESPONSIBILITIES

Company law requires the trustees to prepare financial statements for each financial year in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue;
- determine how amounts are presented within items in the statement of financial activities and balance sheet, having regard to the substance of the reported transactions or arrangements, in accordance with generally accepted accounting principles or practice.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities as well as for the maintenance and integrity of the corporate and financial information included on the charity's website.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

By Order of the Board

.....
PETER CONWAY (CHAIRMAN)

08 April 2020

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

OPINION

We have audited the financial statements of The Isle of Wight Railway Company Limited (the 'parent charitable company' and its subsidiary (the 'charitable group') for the year ended 31 December 2019 which comprise the consolidated statement of financial activities (incorporating an income and expenditure account), consolidated balance sheet, parent charitable company balance sheet, consolidated statement of cashflows, parent charitable company statement of cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable group's and parent company's affairs as at 31 December 2019 and of the charitable groups' incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditors report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ISLE OF WIGHT RAILWAY COMPANY LIMITED - CONTINUED

OPINION 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 year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- The trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees report and from the requirement to prepare a strategic report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 14 in the trustees' report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees' determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ISLE OF WIGHT RAILWAY COMPANY LIMITED - CONTINUED

As part of planning our audit we determined materiality and assessed the risks of material misstatement in the financial statements. Based on our understanding of the charitable company and the group we identified the principal risks to both the charitable company and the group as management override of controls, potential for fraud in respect of revenue recognition, particularly in respect of cash income, and the appropriateness of going concern in light of the potential effects of the Covid-19 pandemic.

Audit procedures performed by the engagement team included:

- A review of journals made in preparing the final results for preparation of the accounts, and a review of accounting estimates made by management.
- Review to ensure there are no transactions that have no apparent business or charitable purpose, or that have been processed outside the usual accounting systems.
- Extension of the sample sizes for audit testing carried out in relation to cash income, and consideration and testing of controls in place around this income.
- Discussions with management in respect of future plans and consideration of the effects of Covid-19 on the financial year, including the expected effects on the twelve months from the anticipated date of this report.
- Discussions with management, including consideration of any known or suspected instances of non-compliance with laws and regulations or fraud.

There are inherent limitations in the audit procedures described above, and the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we are to become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment or intentional misrepresentations.

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

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

GAVIN KELLY, ACA, FCCA (SENIOR STATUTORY AUDITOR)

for and on behalf of Bright Brown Limited Chartered Accountants

Statutory Auditor

Exchange House

St Cross Lane

Newport

Isle of Wight

PO30 5BZ

Date:

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted Funds £	Restricted Funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Voluntary Income					
Donations		122,833	120,805	243,638	208,008
Grants	3	351,435	-	351,435	-
Legacies		11,713	-	11,713	344,131
Charitable activities					
Travel tickets		371,947	-	371,947	989,369
Membership subscriptions		31,315	6,560	37,875	37,990
Other trading activities					
Special events		190,974	-	190,974	245,808
Shop, catering and show income		253,032	-	253,032	587,971
Other income		2,215	-	2,215	3,828
Investments					
Interest received	4	862	-	862	6,702
Total		1,336,326	127,365	1,463,691	2,423,807
EXPENDITURE ON					
Raising Funds					
Administration and event costs	5	289,552	33,467	323,019	459,083
Shop, catering and show expenditure	5	282,625	-	282,625	496,066
Charitable activities					
Running and maintaining the railway	5	843,053	80,595	923,648	1,165,378
Total		1,415,230	114,062	1,529,292	2,120,527
Unrealised gains/(losses) on investments	10	(3,687)	-	(3,687)	2,073
NET INCOME/(EXPENDITURE)		(82,591)	13,303	(69,288)	305,353
Transfer between funds	15a	1,169	(1,169)	-	-
Net movement in funds		(81,422)	12,134	(69,288)	305,353
RECONCILIATION OF FUNDS					
Total funds brought forward		4,250,548	112,334	4,362,882	4,057,529
TOTAL FUNDS CARRIED FORWARD		4,169,126	124,468	4,293,594	4,362,882

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes on pages 25 to 38 form part of these financial statements.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

Company No: 1068690

Charity No: 280918

**CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020		2019	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9a		2,644,555		2,314,641
Heritage assets	9c		197,357		228,322
Investments	10		<u>2,924</u>		<u>6,612</u>
			<u>2,844,836</u>		<u>2,549,575</u>
CURRENT ASSETS					
Stock	11	94,527		87,727	
Debtors	12	62,758		85,265	
Cash at bank and in hand		<u>1,640,106</u>		<u>1,748,695</u>	
		<u>1,797,391</u>		<u>1,921,687</u>	
CREDITORS					
Amounts falling due within one year	13	<u>(119,466)</u>		<u>(108,380)</u>	
NET CURRENT ASSETS			<u>1,677,925</u>		<u>1,813,307</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,522,761		4,362,882
CREDITORS					
Amounts falling due after one year	14		(229,167)		-
NET ASSETS			<u>4,293,594</u>		<u>4,362,882</u>
FUNDS					
Unrestricted funds	15a		4,169,126		4,250,548
Restricted funds	15a		124,468		112,334
			<u>4,293,594</u>		<u>4,362,882</u>

There are no shareholders' funds as the company is limited by guarantee.

These financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Trustees on xxxxx and were signed on its behalf by:

.....
PETER CONWAY (CHAIRMAN)

The notes on pages 25 to 38 form part of these financial statements.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

Company No: 1068690

Charity No: 280918

**PARENT CHARITABLE COMPANY BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020		2019	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9b		2,601,747		2,265,733
Heritage assets	9c		197,357		228,322
Investments	10		12,924		16,612
			<u>2,812,028</u>		<u>2,510,667</u>
CURRENT ASSETS					
Stock	11	19,684		19,191	
Debtors	12	134,652		168,860	
Cash at bank and in hand		<u>1,608,179</u>		<u>1,610,414</u>	
		1,762,515		1,798,465	
CREDITORS					
Amounts falling due within one year	13	<u>(107,367)</u>		<u>(100,255)</u>	
NET CURRENT ASSETS			<u>1,655,148</u>		<u>1,698,210</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,467,176		4,208,877
CREDITORS					
Amounts falling due after one year	14		(229,167)		-
			<u>4,238,009</u>		<u>4,208,877</u>
FUNDS					
Unrestricted funds	15b		4,113,541		4,096,543
Restricted funds	15b		124,468		112,334
			<u>4,238,009</u>		<u>4,208,877</u>

There are no shareholders' funds as the company is limited by guarantee.

These financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Trustees on xxxxx and were signed on its behalf by:

.....
PETER CONWAY (CHAIRMAN)

The notes on pages 25 to 38 form part of these financial statements.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	123,120	504,002
Net cash provided by (used in) operating activities		<u>123,120</u>	<u>504,002</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(461,740)	(149,681)
Acquisition of fixed assets investments		-	-
Interest received		862	6,702
Net cash provided by (used in) investing activities		<u>(460,878)</u>	<u>(142,979)</u>
Net cash provided by (used in) financing activities			
Proceeds of borrowing		229,167	-
Net cash provided by (used in) financing activities		<u>229,167</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		(108,591)	361,023
Cash and cash equivalents at the beginning of the reporting period		<u>1,748,695</u>	<u>1,387,672</u>
Cash and cash equivalents at the end of the reporting period		<u>1,640,104</u>	<u>1,748,695</u>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

1 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020	2019
	£	£
Net income for the reporting period (as per the statement of financial activities)	(69,288)	305,353
Adjustments for:		
Depreciation charges	162,746	169,533
Loss on disposal of assets	44	204
interest received	(862)	(6,702)
Losses/(Gain) on investments	3,687	(2,073)
Decrease/(increase) in stock	(6,800)	8,946
Decrease/(increase) in debtors	22,507	33,555
Increase/(decrease) in creditors	11,086	(4,814)
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	123,120	504,002
	<hr/>	<hr/>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

PARENT CHARITABLE COMPANY CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	207,203	448,934
Net cash provided by (used in) operating activities		<u>207,203</u>	<u>448,934</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(460,276)	(146,246)
Acquisition of fixed asset investments		-	-
Interest received		836	6,592
Net cash provided by (used in) investing activities		<u>(459,440)</u>	<u>(139,654)</u>
Net cash provided by (used in) financing activities			
Proceeds of borrowing		250,000	-
Net cash provided by (used in) financing activities		<u>250,000</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		(2,236)	309,281
Cash and cash equivalents at the beginning of the reporting period		<u>1,610,414</u>	<u>1,301,133</u>
Cash and cash equivalents at the end of the reporting period		<u>1,608,178</u>	<u>1,610,414</u>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

**NOTES TO THE PARENT CHARITABLE COMPANY CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

1 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020	2019
	£	£
Net income for the reporting period (as per the statement of financial activities)	29,132	289,392
Adjustments for:		
Depreciation charges	155,191	160,902
Loss on disposal of assets	35	204
Interest received	(836)	(6,592)
Losses on investments	3,687	(2,073)
Decrease/(increase) in stock	(493)	10,488
Decrease/(increase) in debtors	34,208	316
Increase/(decrease) in creditors	(13,721)	(3,703)
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	207,203	448,934

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 GENERAL INFORMATION

The Isle of Wight Railway Company Limited is a private company limited by guarantee and incorporated in England. The financial statements are presented in Sterling, which is the functional currency of the charitable group. There are no material uncertainties about the charity's ability to continue. The Isle of Wight Railway Company constitutes a public benefit entity as defined by FRS 102.

2 ACCOUNTING POLICIES

a Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006 and the Charities Act 2011. The financial statements have been prepared under the historical cost convention as modified by the revaluation of listed fixed asset investments.

b Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Isle of Wight Railway Company Limited and its subsidiary IWR Trading Limited to 31 December each year. The accounts have been consolidated on a line by line basis and intra group transactions have been eliminated on consolidation.

c Heritage Assets

It is the charity's policy not to capitalise any heritage assets where it is not possible to place any reliable value on them. All heritage assets that can be reliably valued are included on the balance sheet at cost or valuation less accumulated depreciation. The charity has a collection of working steam locomotives and rolling stock, which are held to support their objectives of the education and maintenance of the Isle of Wight Steam Railway. The trustees do not consider that reliable cost or valuation can be obtained for the majority of the locomotives in their collection, due to the rarity and lack of liquid market for them. The charity does not therefore recognise these assets on the balance sheet.

d Property, Plant and Equipment

Property, plant and equipment has been valued at cost less accumulated depreciation.

e Depreciation

Depreciation is provided on the following tangible fixed assets, at rates calculated to write off the cost of each asset over its anticipated useful life using the reducing balance method unless otherwise stated.

Freehold property	3% per annum
Permanent way	5% per annum
Motor vehicles	25% per annum
Tools and miscellaneous equipment	25% per annum
No. 38, Barclay 0-6-0T Ajax	10% per annum on cost from date brought into service
Ivatt Engines 46447 and 41313	10% per annum on cost from date brought into service
Office equipment	20% per annum
Improvements to property	20% per annum
Fixtures and fittings	15% per annum

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

2 ACCOUNTING POLICIES (CONTINUED)

f Investments

Investments in listed entities are initially recognised at cost, or where such assets are donated at the fair value at the date ownership passed to the charity. Subsequently, listed investments are measured at fair value through the profit or loss account. Fair value will be determined by the active market price.

Investments in unlisted entities are measured at cost less amortisation as no fair value can be reliably determined.

g Stocks

Stock is valued at the lower of cost and net realisable value. In determining the value, cost is the cost incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

h Income

Voluntary Income

Voluntary income is recognised in the Statement of Financial Activities once the charitable company has entitlement to the funds, it is probable that the income will be received and the amount can be measured

For donations this is generally upon receipt. In the individual company accounts donations from the trading subsidiary are also recognised on receipt.

For legacies this is when the charity is notified of an impending distribution or receipt of a legacy, provided the value of the incoming resources can be measured with sufficient reliability.

Grants are recognised when unconditional entitlement to the income is passed to the charitable company. Where there are performance related terms and conditions that must be met before unconditional entitlement passes to the charitable company, the income is recognised once it is highly probable that these will be met. Where no such conditions exist the income is recognised when it is received.

Charitable and Other Trading Activities

Income from trading activities, including travel tickets, special events tickets, shop, catering and shows income, is recognised, net of VAT and all other sales taxes when the goods are delivered or services are provided.

Membership income is recognised evenly over the period the membership relates to.

Investment Income

Interest receivable is recognised over the period it is accrued except where there are conditions imposed that must be met before interest is received. Where this is the case the income is recognised once the conditions have been met.

i Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

2 ACCOUNTING POLICIES (CONTINUED)

j Taxation

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

k Fund Accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

l Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which

m Creditors

Short term creditors are measured at transaction (invoice) price.

Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

n Going Concern

The accounts are prepared on a going concern basis. There are no uncertainties about the charitable company's ability to continue as a going concern.

	Unrestricted 2020 £	Restricted 2020 £	Total funds 2020 £	Total funds 2019 £
3 GRANTS RECEIVABLE				
Coronavirus Job Retention Scheme	178,353	-	178,353	-
Rural Payments Agency	116,457	-	116,457	-
Other grants	56,625	-	56,625	-
	<u>351,435</u>	<u>-</u>	<u>351,435</u>	<u>-</u>
4 INVESTMENT INCOME				
Interest from UK bank accounts	862	-	862	6,702
	<u>862</u>	<u>-</u>	<u>862</u>	<u>6,702</u>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	£	£
6 GROUP OPERATING SURPLUS		
Group operating surplus is stated after charging:		
Auditors' remuneration	4,700	4,049
Auditors' remuneration non-audit fees	2,150	2,150
Expenditure on operating leases	22,500	22,500
Depreciation	162,746	169,533
Loss on disposal of fixed assets	44	204
	<u> </u>	<u> </u>
and after crediting:		
Interest received	862	6,702
	<u> </u>	<u> </u>
7 EMPLOYEES AND TRUSTEES		
Gross salaries	654,501	699,695
Sub-contractors	-	6,710
Employers national insurance contributions	34,845	38,797
Pension Costs	9,586	8,773
Training Costs	240	27
	<u> </u>	<u> </u>
Total employee costs	<u>699,172</u>	<u>754,002</u>

The average number of employees for the year amounted to 25 full time (2019 - 27), 18 part time (2019 - 16), and 7 seasonal (2019 - 9). Of these a total of 44 employees worked for the charity and 6 for the trading company. No employees received remuneration of £60,000 or higher.

Two (2019: Two) members of staff who are connected to Trustees were employed by the charity during the year earning a total of £24,295 (2019: £27,515). This is permissible according to the charity's articles and memorandum. No trustees earned a salary during the year (2019: £NIL).

8a PARENT COMPANY INCOME AND EXPENDITURE ACCOUNT

No Income and Expenditure Account is presented for the Isle of Wight Railway Company Limited as permitted by section 408 of the Companies Act 2006. The surplus stated in the accounts for the year ended 31 December 2020 was £29,132 (2019: £289,392), comprising unrestricted funds surplus before transfers of £15,829 (2019: £298,896) and restricted funds surplus before transfers of £13,303 (2019 deficit: £9,504).

8b SUBSIDIARY COMPANY INCOME AND EXPENDITURE

The turnover for IWR Trading Limited for the year ended 31 December 2020 was £253,035 (2019: £587,973). The net surplus after tax and before donations to the charity for the year ended 31 December 2020 was £6,662 (2019: £104,128). Total assets at 31 December 2020 were £149,579 (2019: £256,547), total liabilities were £83,993 (2019: £92,542) and shareholder's funds amounted to £65,586 (2019: £164,005). Its primary activity is trading in support of the Isle of Wight Railway Company Ltd.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

9a TANGIBLE FIXED ASSETS - GROUP

	Permanent way, tools, equipment £	Office equipment £	Motor vehicles £	Fixtures & fittings £	Freehold property £	Property improve - ments £	Total £
Cost							
At 1 January 2020	#####	96,593	10,750	109,532	2,153,877	746,391	4,175,671
Additions	26,323	22,146	-	1,464	393,249	18,558	461,740
Disposals	(2,000)	-	-	(108)	-	-	(2,108)
At 31 December 2020	#####	118,739	10,750	110,888	2,547,126	764,949	4,635,303
Depreciation							
At 1 January 2020	626,672	71,218	8,889	60,624	514,552	579,075	1,861,030
Charge for year	34,670	9,504	465	7,555	42,413	37,175	131,782
Disposals	(1,965)	-	-	(99)	-	-	(2,064)
At 31 December 2020	659,377	80,722	9,354	68,080	556,965	616,250	1,990,748
Net book value							
At 31 December 2020	423,474	38,017	1,396	42,808	1,990,161	148,699	2,644,555
At 31 December 2019	431,856	25,375	1,861	48,908	1,639,325	167,316	2,314,641

9b TANGIBLE FIXED ASSETS - COMPANY

	Permanent way, tools, equipment £	Office equipment £	Motor vehicles £	Freehold property £	Property improve - ments £	Total £
Cost						
At 1 January 2020	#####	96,593	10,750	2,153,877	746,391	4,066,139
Additions	26,323	22,146	-	393,249	18,558	460,276
Disposals	(2,000)	-	-	-	-	(2,000)
At 31 December 2020	#####	118,739	10,750	2,547,126	764,949	4,524,415
Depreciation						
At 1 January 2020	626,672	71,218	8,889	514,552	579,075	1,800,406
Charge for year	34,670	9,504	465	42,413	37,175	124,227
Disposals	(1,965)	-	-	-	-	(1,965)
At 31 December 2020	659,377	80,722	9,354	556,965	616,250	1,922,668
Net book value						
At 31 December 2020	423,474	38,017	1,396	1,990,161	148,699	2,601,747
At 31 December 2019	431,856	25,375	1,861	1,639,325	167,316	2,265,733

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

9c HERITAGE ASSETS

	Group			Company		
	Ajax £	Ivatts £	Total £	Ajax £	Ivatts £	Total £
Cost						
At 1 January 2020	45,478	309,644	355,122	45,478	309,644	355,122
Additions	-	-	-	-	-	-
At 31 December 2020	45,478	309,644	355,122	45,478	309,644	355,122
Depreciation						
At 1 January 2020	45,478	81,323	126,801	45,478	81,323	126,801
Charge for year	-	30,964	30,964	-	30,964	30,964
At 31 December 2020	45,478	112,287	157,765	45,478	112,287	157,765
Net book value						
At 31 December 2020	-	197,357	197,357	-	197,357	197,357
At 31 December 2019	-	228,321	228,321	-	228,321	228,321

The trustees consider Heritage Assets to comprise locomotives, coaches, wagons, infrastructure and artefacts which were or could have been a part of the Isle of Wight railway system and emanating from one or more of the following: (1) the Island's pre-grouping railway companies, (2) The Southern Railway, (3) British Railways Southern Region. The collection consists of fifteen locomotives (12 steam, 3 diesel), details of which can be found on the charity's website: <http://www.iwsteamrailway.co.uk/locomotives.aspx>. These locomotives are used to transport the public, in furtherance of the charity's objectives.

Two locomotives, Ivatt 46447 and Austerity 'Juno' are on contracted loans to the East Somerset Railway and National Railway Museum respectively. Some other locomotive assets are occasionally loaned out on a short term basis to other steam railways or if suitable promotional opportunities arise. The remainder of the collection, when not in use, are maintained and mostly stored in the Train Story facility at the Isle of Wight Steam Railway.

It is not possible to get a reliable estimate of the value of the collection. There are three locomotives reported on the balance sheet, 'Ajax', 'Ivatt 41313' and Ivatt '46447'. The remaining locomotives are not reported on the balance sheet as their valuation cannot be readily assessed in accordance with accounting policy 2c. Ajax was purchased and therefore was included in the balance sheet at this cost. Ivatt '46447' and '41313' were donated to the Isle of Wight Steam Railway by the Ivatt Locomotive Trust and the only amounts capitalised are the costs of bringing the assets into working condition as the value of the assets cannot be readily assessed. These costs are considered by the trustees to have a useful life of 10 years, the time until the next overhaul is required.

The locomotives are maintained by specialised engineers at the Isle of Wight Steam Railway and the steam locomotives undergo a complete overhaul after not more than 10 years use to ensure they are kept in pristine condition. A register of the repairs completed and required is held by the charity. Costs of these repairs are recognised in the SOFA in the period they are incurred. All acquisitions and disposals of heritage assets must first be approved by the board of Trustees and a register of heritage assets is maintained and held in the museum. This register will be made available to the public on request.

Ivatts 46447 and 41313 are now both being depreciated on a straight line basis over a 10 year term from the dates which they entered service.

There were no additions of heritage assets in the year (2019: £NIL, 2018: £Nil 2017: £44,014, 2016: £70,646) There were no disposals of any heritage assets, nor any impairments during the year, or any of the last four reporting periods.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
10 FIXED ASSET INVESTMENTS				
LISTED INVESTMENTS				
FAIR VALUE				
At 1 January 2019	6,611	4,539	6,611	4,539
Additions	-	-	-	-
Revaluations	(3,687)	2,073	(3,687)	2,073
At 31 December 2019	<u>2,924</u>	<u>6,612</u>	<u>2,924</u>	<u>6,612</u>
UNLISTED INVESTMENTS				
Investment in subsidiary at cost	-	-	10,000	10,000
Total fixed asset investments	<u>2,924</u>	<u>6,612</u>	<u>12,924</u>	<u>16,612</u>

The subsidiary, which is included in the charitable company's accounts, is as follows:

Name	IWR Trading Limited (Company No. 02769446)
Registered office	The same as that of The Isle of Wight Railway Company Limited as detailed on page 11.
Principal Activity	Retail services
Country of Incorporation	England and Wales
Shares Held	50 ordinary £1 shares
Proportion Held	100%
Voting Rights	One vote per share

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
11 STOCK				
Catering	10,376	5,318	-	-
Shop	64,467	63,218	-	-
Santa stock, coal and other stock	19,684	19,191	19,684	19,191
	<u>94,527</u>	<u>87,727</u>	<u>19,684</u>	<u>19,191</u>
12 DEBTORS				
Trade debtors	2,468	17,086	2,468	16,963
Amounts owed by group undertakings	-	-	71,347	79,675
Other debtors	60,290	68,179	60,837	72,222
	<u>62,758</u>	<u>85,265</u>	<u>134,652</u>	<u>168,860</u>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
13 CREDITORS: AMOUNTS DUE WITHIN 1 YEAR				
Bank loans	20,833	-	20,833	-
Trade creditors	45,659	45,779	38,204	42,521
Covenanted loan	100	100	100	100
Taxation and social security	12,016	11,087	11,289	10,173
Accruals	38,233	43,041	34,534	39,658
Other creditors	2,625	8,373	2,407	7,803
	<u>119,466</u>	<u>108,380</u>	<u>107,367</u>	<u>100,255</u>
14 CREDITORS: AMOUNTS DUE AFTER 1 YEAR				
Loan due in more than 1 year	<u>229,167</u>	-	<u>229,167</u>	-

The bank loan, taken out in July is repayable over 5 years with no penalty for early repayment. The loan is interest free for the first 12 months after which interest is payable at 2.16% above the base rate.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED
(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Balance 01/01/2020 £	Income £	Expense £	Transfers £	Total funds 31/12/2020 £
15a MOVEMENT IN FUNDS - GROUP					
Unrestricted funds					
General fund	868,917	1,211,843	(1,415,230)	105,668	771,198
Fixed asset reserve	2,549,575	-	-	295,261	2,844,836
Designated / legacies fund	832,056	124,483	(3,687)	(399,760)	553,092
Total unrestricted funds	4,250,548	1,336,326	(1,418,917)	1,169	4,169,126
Restricted funds					
Carriage and wagon restoration	31,890	31,764	(27,097)	6,511	43,068
The Museum fund	11,534	4,561	(2,518)	(2,240)	11,337
Maycock fund	8,705	311	(1,000)	-	8,016
IWSR 200 Club	2,358	6,560	(8,005)	-	913
Wootton	50,611	7,508	(5,332)	(5,440)	47,347
Ryde Tram	226	31,004	(24,612)	-	6,618
Calbourne	1,364	44,032	(45,396)	-	-
The Grand Plan	425	-	-	-	425
Possible acquisition	3,280	1,475	-	-	4,755
Invincible	1,941	150	(102)	-	1,989
Total restricted funds	112,334	127,365	(114,062)	(1,169)	124,468
Total Funds	4,362,882	1,463,691	(1,532,979)	-	4,293,594
15b MOVEMENT IN FUNDS - COMPANY					
Unrestricted funds					
General fund	763,820	1,073,325	(1,178,292)	99,568	758,421
Fixed asset reserve	2,500,667	-	-	301,361	2,802,028
Designated / legacies fund	832,056	124,483	(3,687)	(399,760)	553,092
Total unrestricted funds	4,096,543	1,197,808	(1,181,979)	1,169	4,113,541
Restricted funds					
Carriage and wagon restoration	31,890	31,764	(27,097)	6,511	43,068
The Museum fund	11,534	4,561	(2,518)	(2,240)	11,337
Maycock fund	8,705	311	(1,000)	-	8,016
IWSR 200 Club	2,358	6,560	(8,005)	-	913
Wootton	50,611	7,508	(5,332)	(5,440)	47,347
Ryde Tram	226	31,004	(24,612)	-	6,618
Calbourne	1,364	44,032	(45,396)	-	-
The Grand Plan	425	-	-	-	425
Possible acquisition	3,280	1,475	-	-	4,755
Invincible	1,941	150	(102)	-	1,989
Total restricted funds	112,334	127,365	(114,062)	(1,169)	124,468
Total Funds	4,208,877	1,325,173	(1,296,041)	-	4,238,009

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	2019 Total Funds £
15c ANALYSIS OF NET ASSETS BETWEEN FUNDS				
Group				
Fixed assets	2,844,836	-	2,844,836	2,549,575
Current assets	1,672,923	124,468	1,797,391	1,921,687
Current liabilities	(119,466)	-	(119,466)	(108,380)
Long term liabilities	(229,167)	-	(229,167)	-
	<u>4,169,126</u>	<u>124,468</u>	<u>4,293,594</u>	<u>4,362,882</u>
Company				
Fixed assets	2,812,028	-	2,812,028	2,510,667
Current assets	1,638,047	124,468	1,762,515	1,798,465
Current liabilities	(107,367)	-	(107,367)	(100,255)
Long term liabilities	(229,167)	-	(229,167)	-
	<u>4,113,541</u>	<u>124,468</u>	<u>4,238,009</u>	<u>4,208,877</u>

15d DETAILS OF FUNDS

Designated / legacies fund

The designated / legacies fund consists of income received from legacies where there is a desire for the money to be spent on a particular project but no legal obligation. Legacies have also been received which have no specific direction as to how the funds are spent.

Fixed asset reserve

This fund represents the amount of unrestricted fixed assets held by the charity.

Restricted funds

Carriage and wagon restoration - for the restoration of carriages and wagons including grant income

Museum fund - in the furtherance of the development of the museum (heritage and learning)

Maycock fund - in coach and wagon restoration

IWSR 200 fund - for the provision of volunteer facilities and other designated projects

Wootton - restoration/renovation of Wootton Station

Ryde Tram - restoration of the Ryde Tram

Calbourne - restoration of Calbourne

Invincible - restoration of Invincible

Possible acquisition - towards the acquisition of a specific locomotive for display should it become available

The Grand Plan - New buildings at Havenstreet as described in the strategic vision

Transfers between funds

All transfers made in the year represent the capitalisation of items purchased from other funds being transferred to the fixed asset reserve.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED
(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Balance 01/01/2019 £	Income £	Expense £	Transfers £	Total funds 31/12/2019 £
15e COMPARATIVES FOR THE MOVEMENT IN FUNDS - GROUP					
Unrestricted funds					
General fund	807,450	1984190	-2013463	90740	868917
Fixed asset reserve	2,563,018	-	-	(13,443)	2,549,575
Designated / legacies fund	553,190	360,229	(16,099)	(65,264)	832,056
Total unrestricted funds	3,923,658	2,344,419	(2,029,562)	12,033	4,250,548
Restricted funds					
Carriage and wagon restoration	35,422	28,436	(31,968)	-	31,890
The Museum fund	12,019	8,308	(6,393)	(2,400)	11,534
Maycock fund	9,359	346	(1,000)	-	8,705
IWSR 200 Club	2,772	6,425	(2,495)	(4,344)	2,358
Wootton	52,087	29,109	(2,394)	(28,191)	50,611
Ryde Tram	19,459	3,768	(45,903)	22,902	226
Calbourne	1,153	1,211	-	(1,000)	1,364
The Grand Plan	-	1,220	(795)	-	425
Possible acquisition	-	2,280	-	1,000	3,280
Invincible	1,600	358	(17)	-	1,941
Total restricted funds	133,871	81,461	(90,965)	(12,033)	112,334
Total Funds	4,057,529	2,425,880	(2,120,527)	-	4,362,882

15f COMPARATIVES FOR THE MOVEMENT IN FUNDS - COMPANY

Unrestricted funds					
General fund	713,510	1,519,294	(1,564,528)	95,544	763,820
Fixed asset reserve	2,518,914	-	-	(18,247)	2,500,667
Designated / legacies fund	553,190	360,229	(16,099)	(65,264)	832,056
Total unrestricted funds	3,785,614	1,879,523	(1,580,627)	12,033	4,096,543
Restricted funds					
Carriage and wagon restoration	35,422	28,436	(31,968)	-	31,890
The Museum fund	12,019	8,308	(6,393)	(2,400)	11,534
Maycock fund	9,359	346	(1,000)	-	8,705
IWSR 200 Club	2,772	6,425	(2,495)	(4,344)	2,358
Wootton	52,087	29,109	(2,394)	(28,191)	50,611
Ryde Tram	19,459	3,768	(45,903)	22,902	226
Calbourne	1,153	1,211	-	(1,000)	1,364
The Grand Plan	-	1,220	(795)	-	425
Possible acquisition	-	2,280	-	1,000	3,280
Invincible	1,600	358	(17)	-	1,941
Total restricted funds	133,871	81,461	(90,965)	(12,033)	112,334
Total Funds	3,919,485	1,960,984	(1,671,592)	-	4,208,877

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

16 RELATED PARTY DISCLOSURES

Eight (2019: Seven) trustees received reimbursement for travel, accommodation and small sundry expenses of £531 (2019: £3,418). Total donations received from trustees in the year amounted to £4,515

17 OTHER FINANCIAL COMMITMENTS

At 31 December 2020 the charity had commitments under non-cancellable operating leases as follows:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Due within one year	13,500	18,000	13,500	18,000
Due after one year but no later than five years	-	13,500	-	13,500
	<u>13,500</u>	<u>31,500</u>	<u>13,500</u>	<u>31,500</u>

18 CAPITAL COMMITMENTS

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities amounted to £74,000 at the year end (2019: Nil).

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

	Unrestricted Funds £	Restricted Funds £	Total 2019 £
19 COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES			
INCOME AND ENDOWMENTS FROM			
Voluntary Income			
Donations	132,972	75,036	208,008
Grants	-	-	-
Legacies	344,131	-	344,131
Charitable Activities			
Travel tickets	989,369	-	989,369
Membership subscriptions	31,565	6,425	37,990
Other Trading Activities			
Special events	245,808	-	245,808
Shop, catering and show income	587,971	-	587,971
Other income	3,828	-	3,828
Investments			
Interest received	6,702	-	6,702
Total	<u>2,342,346</u>	<u>81,461</u>	<u>2,423,807</u>
EXPENDITURE ON			
Raising Funds			
Administration and event costs	447,882	11,201	459,083
Shop, catering and show expenditure	496,066	-	496,066
Charitable activities			
Running and maintaining the railway	1,085,614	79,764	1,165,378
Total	<u>2,029,562</u>	<u>90,965</u>	<u>2,120,527</u>
Unrealised gains/(losses) on investments	2,073	-	2,073
NET INCOME/(EXPENDITURE)	<u>314,857</u>	<u>(9,504)</u>	<u>305,353</u>
Transfer between funds	12,033	(12,033)	-
Net movement in funds	<u>326,890</u>	<u>(21,537)</u>	<u>305,353</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	3,923,658	133,871	4,057,529
TOTAL FUNDS CARRIED FORWARD	<u><u>4,250,548</u></u>	<u><u>112,334</u></u>	<u><u>4,362,882</u></u>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	£	£
UNRESTRICTED FUNDS		
Income		
Travel tickets	367,038	974,918
Platform tickets	4,909	14,451
Santa specials	96,899	96,312
Other special events	94,075	149,496
Membership subscriptions	31,315	31,565
Bank interest received	836	6,592
Management charge to subsidiary	23,000	27,033
Rent received	10,942	9,115
Legacies	11,713	344,131
Sundry income	(742)	2,698
Revaluations of listed investments	-	2,073
Donations		
General donations	122,833	132,972
Gift aid donation from subsidiary	105,081	88,167
Grants		
Rural Payments Agency	116,457	-
Coronavirus Job Retention Scheme	156,827	-
Other grants	56,625	-
Total income	<u><u>1,197,808</u></u>	<u><u>1,879,523</u></u>
Expenditure		
Engineering	400,590	578,295
Marketing and operating	192,487	360,592
Sites and estates	113,050	127,888
Heritage and learning	1,766	3,103
Administration	284,642	309,946
Membership	16,367	18,931
Finance costs	14,164	20,766
Depreciation	155,226	161,106
Revaluations of listed investments	3,687	-
	<u><u>1,181,979</u></u>	<u><u>1,580,627</u></u>
Surplus of income over expenditure on unrestricted funds	<u><u>15,829</u></u>	<u><u>298,896</u></u>

This page does not form part of the statutory financial statements.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

SCHEDULE OF EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	£	£
Engineering		
Employee costs	295,702	352,369
Fuel and coal	31,398	68,192
Other locomotive running costs	15,938	18,287
Carriage and wagon maintenance	4,135	25,583
Permanent way maintenance	9,032	22,221
Workshops	6,391	26,350
Rolling stock repairs and refurbishment (198, W11 and W24, 41298, Carriage 4115 and 4149)	37,994	47,121
Oldbury Repairs	-	4,691
Other designated fund engineering costs	-	13,481
	<u>400,590</u>	<u>578,295</u>
Marketing and operating		
Publicity	21,736	97,010
Employee costs	99,413	128,981
Agency (Solent retainer)	23,544	-
Operating costs	1,548	4,619
Printing and artwork	225	331
Exhibitions and sundries	5,613	14,854
Santa specials	28,219	58,347
Other specials	12,189	56,450
	<u>192,487</u>	<u>360,592</u>
Sites and estates		
Repair and maintenance	41,103	68,702
Cleaning and consumables	5,491	8,356
Employee costs	66,456	50,830
	<u>113,050</u>	<u>127,888</u>
Heritage and learning		
General daily expenses	<u>1,766</u>	<u>3,103</u>
Administration		
Employee costs	103,262	89,608
Insurance	58,621	62,630
Printing, stationery and postage	6,801	9,981
Heat, Light and Water charges	49,918	51,104
Health and safety and company doctor	11,652	16,174
Telephone	5,074	4,396
AGM & annual report	1,088	2,408
Sundry expenses	24,107	37,379
Subscriptions	3,713	4,434
Legal and professional fees	180	911
Rates	2,226	12,921
Rent	18,000	18,000
	<u>284,642</u>	<u>309,946</u>

This page does not form part of the statutory financial statements.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

SCHEDULE OF EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	£	£
Membership		
I.R.N.	15,109	18,349
Sundry	1,258	582
	<u>16,367</u>	<u>18,931</u>
Finance costs		
Audit fees	4,100	3,700
Bad debts	1,491	-
Bank charges	404	851
Credit card charges	7,791	15,152
Miscellaneous	378	918
Other interest	-	145
Revaluations of listed investments	-	-
	<u>14,164</u>	<u>20,766</u>
Depreciation		
Motor vehicles	465	620
Track and equipment	34,670	37,415
Office equipment	9,504	6,344
Improvements to property	37,175	41,829
Freehold property	42,413	43,730
Locomotive	30,964	30,964
Losses on disposal of assets	35	204
	<u>155,226</u>	<u>161,106</u>
Total unrestricted expenditure	<u>1,178,292</u>	<u>1,580,627</u>

This page does not form part of the statutory financial statements.

IWR TRADING LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	2020		2019	
	£	£	£	£
Shop				
Takings		116,984		205,261
Cost of sales				
Opening stock	63,218		61,963	
Purchases	66,461		115,651	
Wages	3,315		7,026	
Closing Stock	<u>(64,467)</u>		<u>(63,218)</u>	
		68,527		121,422
Gross Profit		<u>48,457</u>		<u>83,839</u>
Credit card charges	4,852		5,712	
Repairs and renewals	<u>2,781</u>		<u>1,899</u>	
		7,633		7,611
Net Profit		<u><u>40,824</u></u>		<u><u>76,228</u></u>
Catering				
Takings		127,593		321,431
Calbourne room bookings		30		3,845
Costs of sales				
Opening stock	4,723		4,368	
Purchases	52,812		118,174	
Wages	72,023		97,302	
Closing stock	<u>(9,855)</u>		<u>(4,723)</u>	
		119,703		215,121
Gross profit		7,920		110,155
Repairs and renewals	<u>8,544</u>		<u>11,648</u>	
		8,544		11,648
Net profit		<u><u>(624)</u></u>		<u><u>98,507</u></u>
Bar				
Takings		8,378		42,694
Costs of sales				
Opening stock	445		663	
Bar purchases	4,874		20,757	
Closing stock	<u>(371)</u>		<u>(445)</u>	
		4,948		20,975
Net profit		<u><u>3,430</u></u>		<u><u>21,719</u></u>
Shows				
Takings		47		14,740
Direct costs				
Site costs and administration	1,478		40,434	
Closing stock	<u>-</u>		<u>(150)</u>	
		1,478		40,284
Gross profit/(loss)		<u>(1,431)</u>		<u>(25,544)</u>
Show publicity	<u>-</u>		<u>5,527</u>	
		-		5,527
Net profit/(loss)		<u><u>(1,431)</u></u>		<u><u>(31,071)</u></u>
Trading Profit		<u><u>42,199</u></u>		<u><u>165,383</u></u>

This page does not form part of the statutory financial statements.

IWR TRADING LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	2020		2019	
	£	£	£	£
Trading profit		42,199		165,383
Other income				
Government grants received		21,526		-
Overheads				
Rent	7,985		7,985	
Management charges	23,000		27,033	
Insurance	5,370		5,470	
Audit fees	2,750		2,499	
Bank charges	1,011		3,159	
General Manager	9,360		6,422	
Sundry expenses	50		170	
Depreciation	7,555		8,631	
Loss on disposal of tangible assets	9		-	
		57,090		61,369
Total net profit		6,635		104,014
Bank interest received		26		110
Net profit before gift aid donation		6,661		104,124
Donations to Isle of Wight Railway		(105,081)		(88,167)
Retained profit / (loss)		<u>(98,420)</u>		<u>15,957</u>

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