

Welshpool & Llanfair Light Railway Preservation Co. Ltd.

Annual Report and Accounts 2023

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Administrative details

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Powys SY21 7AD

Auditor W R Partners
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10 St. Giles Business Park
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Powys SY16 3AJ

Solicitors Lanyon Bowdler LLP
4 St Martin's Street
Hereford HR2 7RE

Officers and managers

Company Secretary Michael Reilly

General Manager James Brett

Operations and
Infrastructure Manager Kevin Heywood

Engineering Manager James Mander

Company number 00646238 (Wales)

Registered charity number 1000378

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at the station, Llanfair Caereinion, on Saturday 18 May 2024 at 3.30 p.m. for the purpose of transacting the following business:-

Ordinary Resolutions

1. To receive and adopt the audited consolidated financial statements and the report of the trustees for the year ended 31 December 2023.
2. To elect directors. The Articles of Association stipulate that one-third of directors shall retire annually. Helen Ashby, Simon Bowden, Andrew Charman and Iain McLean retire by rotation. There are four vacancies. Details of those offering themselves for election are given in a separate leaflet sent to members.
3. To elect a president. The Earl of Powis has indicated his willingness to be re-elected.
4. To elect vice presidents. Alan Higgins, Tony Thorndike and Sir Philip Williams have confirmed their willingness to be re-elected. Michael Whitehouse has indicated his willingness to be elected.

Special Resolution

5. To amend article 3 (1) of the Memorandum of Association of the Company by renumbering the existing clause (g) as clause (h) and inserting a new clause (g) to read:
To collect, conserve and display locomotives, rolling stock and any other artefacts from railways or tramways, create displays, establish museums and/or archives.

Immediately after the end of this meeting, a members' forum will be held.

Any member entitled to attend, but not able to be present at the Annual General Meeting, may appoint a proxy to attend and vote on a poll in his or her stead and that proxy need not be a member of the company. A form of proxy will be sent to all members eligible to vote and should be deposited at the Registered Office at least forty-eight hours before the meeting.

Associate members may attend but not vote at the Annual General Meeting. Only persons producing their current membership cards or duly appointed proxies will be admitted to the Meetings.

By order of the Board

Michael Reilly,
Company Secretary

REPORT OF THE BOARD OF TRUSTEES

Our mission

The company is a registered charity whose formal charitable purpose is:

to advance the education of the public in the history and development of railway locomotion by the preservation of railway locomotives and/or rolling stock and/or historic railway lines.

The trustees who served during 2023 were:

	<i>Number of trustees' meetings attended Actual/Possible</i>	
Steve Clews <i>Chairman</i>	5	5
Iain McLean <i>Vice Chairman</i>	5	5
Helen Ashby	5	5
William Bickers-Jones <i>(resigned in January)</i>	1	1
Simon Bowden	4	5
Andrew Charman	2	5
Oliver Edwards <i>(until 13 May)</i>	3	3
John Forman	5	5
Peter Green	4	5
David Jones	4	5
Bob Mason	5	5
Ryk Parkinson <i>(from 13 May)</i>	2	2
Robert Robinson	4	5
Anne-Marie Wright <i>(from 13 May)</i>	1	2

The trustees cover the following skill areas: staff, appeals, mechanical and civil engineering, finance, health and safety, education, heritage, product marketing, business management and legal. Professional advice is sought as appropriate.

This report sets out the trustees' account of the company's work in 2023. It meets the requirements for charity accounting prescribed in the Charities SORP. It also meets the Directors' Report requirements prescribed in company law.

Status of the charity

The Welshpool & Llanfair Light Railway Preservation Company was incorporated as a company limited by guarantee in 1960 and obtained charitable status in 1990. The charity has no share capital and the liability of each member, in the event of winding up, is limited to £1. The governing documents are the Memorandum and Articles of Association of the company. Anyone may become a member by payment of the annual subscription.

The company has a wholly owned subsidiary, W&L Sales Ltd., which is not a charity and has its own board and accounts. Its profits are gift aided to the preservation company.

The charity can have up to twelve trustees. Members of the board of trustees are directors of the company for Companies Act purposes. The articles prescribe that the trustees are elected by the members. As a courtesy to local government, which has been supportive of the company throughout its history, customarily local councils have been invited to nominate a trustee, whose appointment is subject to approval by members in the usual way.

Governance and management

The trustees are required by law to prepare financial statements, which give a true and fair view of the affairs of the charity and the group at the end of the financial year and of the financial activities, total recognised gains or losses and cash flows of the group for the year.

The trustees are of the opinion that in preparing the financial statements on the following pages appropriate accounting policies have been consistently applied, supported by reasonable and prudent estimates and judgments, and all applicable accounting standards have been followed. They are also satisfied that the group has adequate resources to meet its operational needs for the foreseeable future and accordingly they continue to adopt the going concern basis in preparing the financial statements.

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's independent examiner is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the independent examiner is aware of that information.

The board meets regularly during the year and subgroups of board members meet from time to time as business requires. The general manager is appointed by the trustees to carry out the policies laid down by the board and to manage the day-to-day operations of the charity. To facilitate effective operations, the general manager has been given authority, within terms of delegation approved by the trustees, for operational matters, including the employment of other staff. The trustees have agreed a written schedule of matters reserved to the board, copies of which may be obtained from the company secretary. The board sets the general manager's remuneration in the light of annual objectives and performance appraisal.

On appointment, trustees are provided with the Charity Commission's current guidance for new trustees. Trustees are allocated specific responsibilities according to their individual skills. Induction to the charity's operations is not considered necessary as trustees are usually drawn from the ranks of working members. However, they are encouraged to identify their own training needs. Trustees are provided with the updates and relevant information from regulatory bodies, including the Charity Commission, Office of Rail and Road (ORR), Rail

Accident Investigation Branch and the Heritage Railway Association (HRA).

Risk management

The company has a formal risk management process, identifying in detail the risks to which it is exposed. The board of trustees keeps six registers of risks to the business. These cover company level risks relating to commercial, external, finance, governance, operations, and personnel matters, both short- and long-term. A trustee takes the lead responsibility for the process and a representative from the board or management takes ownership of each register. Emergent and changed risks are identified, discussed, and documented at each board meeting. An annual review of all six registers was held in January 2023.

The railway management reviews and manages operational risk through a documented risk assessment and mitigation process. The process is managed by the officer responsible for safety with heads of department providing departmental input. These risk assessments continued to be reviewed and updated during 2023 and are key elements in the safety audits.

Health and safety

The safety and welfare of visitors, staff and volunteers takes precedence over all other activities. During 2023 the railway had three reportable incidents, all were signals passed at danger (SPAD). There were several operational incidents, near misses, and minor injuries which were recorded and investigated using our internal processes, with reporting to the Safety Management Team at each meeting, and relevant safety improvements instigated and notices and briefings issued to staff. Incident numbers and details of higher level incidents were reported to trustees at board meetings.

In response to the external safety audit conducted in January 2023, an action plan, led by the general manager and safety officer, saw further improvements to document control, competence management, risk assessments and other measures. The Document Management System was moved to a new web based system specifically developed for heritage railways, meeting industry best practice and General Data Protection Regulations (GDPR) requirements.

The Safety Management Team was re-formed in April with an updated remit and commitment to meet five times per year. Projects to update the operating rule book and revise the level crossing risk assessments were started.

The safety officer resigned in August due to pressure of work and despite advertising the post several times has not yet been replaced.

Railway staff continue to work with the HRA, ORR, other railways, and industry to share changes and best practice. Staff attended a variety of safety related training courses throughout the year including working at height, ladder safety, manual handling, risk management models, and food hygiene. The railway continues to invest in new equipment to provide a safe and efficient working environment.

Objectives

The principal objective of the company continues to be to advance the education of the public in the history and development of railway locomotion.

This encompasses the following three subsidiary objectives:

- the preservation and operation of the eight-mile narrow gauge light railway between Welshpool and Llanfair Caereinion;
- the generation of funds to finance the acquisition and restoration of fixed assets and for the operation of the railway, including the necessary maintenance, renewals and replacements;
- the continued encouragement of an active membership to provide the necessary volunteer manpower and to preserve or acquire the appropriate skills.

Public benefit

The board has had regard to the Charity Commission's guidance on public benefit. Of the charitable purposes set out in the Charities Act 2011, the railway principally contributes to *b) the advancement of education...* and *f) the advancement of the arts, culture, heritage, or science...*

The public benefits of the charity are:

- the preservation of one of the first British railways built under the auspices of the Light Railways Act 1896;
- the conservation of its heritage assets and equipment for public enjoyment;
- the education of the public in the history of railway locomotion;
- the preservation and passing down of craft skills.

In carrying out these benefits to the public, the charity seeks to minimise harm to the environment.

Any member of the public may:

- travel on the public scheduled services;

- view the stations and buildings without payment whenever the railway is open;
- view how the railway and its operations feature in the landscape at any time.

All members of the company are eligible to train for any volunteer job on the line, including skilled and safety-critical jobs, subject only to health and safety assessments. Company members enjoy concessionary travel on the railway, but all other private benefits of membership are incidental to the aims and objectives of the charity.

Achievements and performance

The railway built upon the experience of the past three years to continue rebuilding passenger numbers and revenue with an expanded programme of special events and experiences. Trains operated on 169 days with most services operating the full length of the line. Online booking continued to be encouraged to aid us in managing capacity, thereby helping to improve the visitor experience, with Llanfair boarding being promoted for catering and first class services.

Despite the impact of the rising cost of living and an uncertain economic climate on visitors' disposable income, passenger numbers met our target for the year, with an increase of 5% on 2022. Revenue from railway operations exceeded budget by £30,000 and marked an increase of £70,000 on 2022. This was despite operating 18% fewer trains, helping improve our efficiencies and manage operating costs across the organisation. Our special events programme expanded, with a second 'enthusiasts' event' to celebrate the 120th anniversary of opening and 60 years of preservation of the line, alongside our traditional Steam Gala weekend, Santa Specials and an increased range of family events. Premium experiences continue to help fill trains at traditionally quieter times and increase our income per visitor. Alongside Afternoon Tea and evening Fish & Chips specials, a Gin & Whisky tasting train was introduced in partnership with a local distillery. Our station tearoom at Llanfair opened on more dates with an expanded menu of hot food and the provision of pre-booked picnic boxes. Following experience with an external caterer since 2020, the railway purchased and began operating its own mobile catering unit, both to provide an additional outlet at Llanfair on busy days and give us the ability to offer hot food at Welshpool station on select dates.

All departments at the railway contributed to this success, often adapting to operational changes at short notice. Timetables for the year were planned around predicted available staff levels but despite this short notice cover during the peak season remained a challenge. The engineering team worked hard to keep both No.1 *The Earl* and ZB2 *Zillertal* in service. One of the major highlights of the year was the return

of No. 10 *Sir Drefaldwyn* to traffic after a long and extensive overhaul. Our civil engineering and buildings departments worked year-round to maintain the railway infrastructure and estate, ensuring its safety and operational reliability. As well as tackling the backlog of deferred maintenance, notable achievements included the external repainting of Raven Square Station building and renewal of a section of line between Heniarth and Schoolmistress' Cottage with composite recycled plastic sleepers.

Our museum continues to develop its interpretation and range of displays on offer, bolstered by the separate Cloverlands Model Car Museum which helps attract a different clientele to the railway. Welshpool display shed was opened regularly on operating days and saw the addition of No. 14, ex-Sierra Leone Hunslet 85, and Sentinel locomotive *Nutty* (formerly W&L No. 5) which arrived on long-term loan from the narrow gauge railway museum in Tywyn.

Behind the scenes, our staff worked to ensure that safety regimes were maintained, marketing and administration conducted, and rosters managed. Recruitment and training of sufficient staff to support activities across all areas of the organisation, however, remains a constant priority.

Track, infrastructure and buildings

Significant work included a relay west of Heniarth Mill Bridge using plastic sleepers and S30 rail (all new), the purchase of an S30 turnout for Cyfronydd (scheduled for installation in early 2024) and the ordering of 400 plastic sleepers for future work. Diseased and dangerous trees have been removed, new fencing installed at Welshpool station and, following the return to service of locomotive No.7 *Chattenden*, extra flailing took place. Problems with wagon availability were eased considerably by the refurbishment of the two Bowaters wagons and the introduction of two new tool vans.

An in-house survey of the Tanllan retaining wall was carried out, leading to the decision to commission a scour survey of the river bank over a longer frontage and an external consultant was recruited to survey the former Colinette building to determine what will be required to re-roof it.

The midweek gang continued to be busy throughout the year with tasks that are often unseen but essential to the maintenance of the railway estate, including repainting the Llanfair Caereinion signal box and other painting, plumbing, drainage and maintenance work.

Steam locomotives

In 2023 the steam locomotive fleet accumulated a total of 6978 miles of which No. 1 *The Earl* completed 4660 miles, No. 10 *Sir Drefaldwyn* 722 miles and ZB2 *Zillertal*, on-hire from the Zillertalbahn, 1596 miles. Including for test and running-in purposes, No. 1 was in steam on 133 days with Nos. 10 and ZB2 on 30 days each.

The highlight of the year was No. 10 being outshopped in May for testing and running-in prior to entering service on 17th June at the 60th year of preservation event. Later in the year No. 2 *The Countess* was taken into the workshop to commence a 10-year overhaul and boiler lift.

Procuring solid fuel of adequate quality and acceptable cost is becoming increasingly challenging. In 2022 and 2023 we took a number of deliveries of both coal and bio-fuels of widely differing characteristics with consequent difficulties for crews. Our last full season (i.e. not Covid-affected) on good quality Welsh steam coal throughout was 2019, since when we have seen average fuel consumption per trip increase by some 35%, while the last two years' fuel costs have been more than double those of 2019 and earlier.

Rolling stock

The carriage fleet accumulated 27126 miles in passenger service during 2023 plus 318 miles on engineering trains due to withdrawal of the mess coach.

SLR carriage 1066 was returned from Statfold on 15th December following conversion from 3rd to 2nd class to an in-house design, rather than according to the Gloucester Carriage original. The work included a full repaint plus reinstating the interior lighting and steam heating, and the installation of a battery-powered refrigerator to assist with the provision of light refreshments.

Carriage C572 returned to traffic in April following replacement of the Llanfair end headstock. The wheelsets of both B14 and C572 were reprofiled by the VoR at Aberystwyth and reinstalled. MÁV carriage 430 was returned to traffic in December following a lengthy wait for repairs to the braking system.

Our old tool van – ex-RNAD No. 210 – was withdrawn earlier in the year with the bodywork condemned and replaced by our two ex-RNAD ammunition vans, given W&L numbers 86 & 87, now refurbished. The vendor was unable to advise us of the original RNAD numbers.

The track gang's mess coach which featured the original body from B17 mounted on ex-RNAD bogie wagon No. 41 was also withdrawn due to life-

expired bodywork. Work commenced in the autumn to overhaul the wagon with replacement of corroded structural members and adapting it to mount a custom-designed welfare unit.

Our two Butterley-built ex-Bowater wagons Nos. 610 & 631 were despatched in turn to Alan Keef Ltd. for overhaul and refurbishment following which both were available for use from mid-November.

Two of our Cravens-built, ex-RNAD bogie flat wagons Nos. 35 & 38, which in stripped-down condition have been used as rail carriers for many years, were withdrawn from service due to excessive corrosion.

Diesel locomotives

Locomotive No. 7 *Chattenden* returned to traffic on engineering trains in March following wheel turning and overhauling of the axleboxes. It completed 624 miles on passenger services, the majority in April, due to non-availability of steam locomotives early in the season. Locomotive No. 17 was also used on engineering trains as well as completing 112 miles in passenger service.

Alishan Forest Railway diesel locomotive DL-34 (W&L No. 22) was delivered to Llanfair on 1st February. It was subjected to a full examination and test running in late-March, and in September was despatched to Industrial & Heritage Rail Services at Darley Dale for fitting a vacuum brake system. At the same time work was underway at Llanfair producing the components necessary to fit Grondana couplings.

Education and heritage

The railway meets its formal charitable purpose by preserving the heritage and providing learning opportunities for all visitors. Our educational experiences include a varied timetable of heritage train rides, special events and activities showcasing the story of the W&LLR since 1903 and its connections with other 2ft 6in gauge railways.

In 2023 'Llanfair Connections' and the Cloverlands Model Car Museum were open to the public throughout the operating season and welcomed 2,317 visitors. Opening of both facilities continued to be restricted by the lack of volunteer stewards. Our goal is to open daily when trains are running. Work continued to update and enhance the displays, including adding more objects to them from the historic collections. The 16mm. scale model railway was improved to enable it to be visitor operated, making it a very popular exhibit. The Cloverlands Model Car Museum team also started a major redisplay of at the end of the season.

Family events during the year included the Carrot Express at Easter, Fireman Sam, Peter Rabbit visits, Paddington Bear and the Santa Specials, which were enhanced with trails, quizzes and educational activities.

In September we were awarded a small grant from Kids in Museums, which included a family friendly audit and £500 towards the implementation of some new activities and the improvement of signposting our family friendly offer both online and on site.

A small number of duplicate objects, and items which did not fit the Collections Development policy, were disposed of at public auction and some new acquisitions were made. A painting of *The Earl* on Banwy Bridge was accepted from the daughter of one of the railway's founding members and is now on display in Llanfair Connections.

Environment

With UK mined coal coming to an end we have continued to try alternative fuels, revising firing techniques as necessary and giving feedback to fuel suppliers. With its varied and frequent changes of gradient, our railway presents significant firing challenges, and we will remain engaged in the development of alternative fuels to help ensure future supplies of effective coal substitutes.

The catering team has switched to recyclable packaging materials for retail stock, further reducing our dependence on single use plastics. We have adopted modern paint systems with a reduced environmental impact for repainting buildings and continually seek to adopt best practice to reduce energy consumption.

The use of recycled plastic sleepers has now become the established standard when relaying track, with the permanent way team having developed new techniques for the handling and use of them.

Ash dieback has become prevalent in wider areas around the railway and will be a major challenge in coming years. More positively, we are seeing a wider range of lineside flora arising from the steady cutting back and coppicing of otherwise dominant species.

Fundraising

The railway continued to benefit from generous donors and legacies. Income during the year was £118,311 from donations (including £34,789 in Gift Aid reclaimable), £78,729 from legacies, and £7,847 in grants. The specific appeals during the year were for the overhaul of locomotive No.7 *Chattenden*, and for improvements to our carriage fleet for premium

services. An order was placed for refurbishment of ex-Sierra Leone carriage 1066, which returned in splendid condition after the year end. The arrival on loan of Taiwanese diesel DL-34 will permit No.7 to be released for overhaul once a costed plan has been drawn up.

The appeals team worked on several events to reward donors and to publicise our fund-raising progress. The appeals director sang the Welsh national anthem in Welsh, the Sierra Leone national anthem in English, and a jaunty song about the Salzkammergut Lokalbahn in German, in an authentic Austrian accent according to our former general manager.

W&L Sales

Step changes in the tearoom and catering more broadly meant that W&L Sales income was significantly higher. So too, however, were costs and after allowing for rent and administrative charges this resulted in a net loss. Steps are being taken to avoid this situation in 2024.

Shop sales remained buoyant and ahead of 2022, due to careful buying and pricing, and generous donations of items to be sold. This has been helped by the service given by our enthusiastic and dedicated shop volunteers, which is much appreciated and for which W&L Sales is very grateful.

Membership and volunteers

The railway is fortunate in having the consistent support of its members, many of them of 25 years plus standing. We welcomed 376 new members in 2023 (2022 150) after deciding to give recruitment at the railway additional focus. New members are encouraged to attend a New Members' Day where they can get to know the railway and its people. Total membership at the end of 2023 was 2,104, a net increase of 188. We do gain many new members through our social media presence as well as at the railway. Members are also encouraged to invite friends and colleagues to join.

The volunteer liaison committee completed another survey identifying how many active volunteers we have and where there is need for more recruitment.

Staff

In 2023 the company employed seven full-time and one-part time staff; plus there are around 250 part-time volunteer staff contributing about 14 full-time equivalent staff, and some seasonal staff in the tea-room. Although this was a slight increase in volunteer numbers on previous

years, it still resulted in an unavoidable reduction in services. Trustees and management are grappling with the problem of recruiting sufficient volunteers.

Publication of a comprehensive staff guide, work on which started in 2022, has been delayed by supply issues.

In January, Sara Jones was appointed as catering manager. In August, Carys Evans was recruited to the grant funded position of community engagement officer, only to resign in September. Recruitment to fill this post will be re-run in 2024.

In August Paul Wixey stepped down as volunteer safety officer and the following month William Bickers-Jones stepped down as volunteer buildings manager. Despite active advertising, both positions remain unfilled and replacements will now be sought externally.

The trustees are most grateful to the paid full-time and seasonal and volunteer staff for their forbearance, patience, and hard work during another challenging year for the heritage sector.

Financial review

Results and financial position

The trustees are of the opinion that in preparing the financial statements and related notes, appropriate accounting policies have been consistently applied, supported by reasonable and prudent estimates and judgments, and that all applicable accounting standards have been followed. They are also satisfied that the group has adequate resources to meet its operational needs for the foreseeable future and accordingly they continue to adopt the going concern basis in preparing the financial statements.

2023 was an eventful year. Traffic income, boosted by increasing experience in operating a wide range of successful events, was up an impressive 15%. Visitor generosity also led to £29,000 Gift Aid from fares, (2022 £27,000), representing a 30% take-up after allowing for events and group visits not eligible to be gift-aided. With better timetabling meaning fewer but fuller trains, coal costs were £8,000 lower and learning from 2022 experiences in events meant that spending on special events was £22,000 lower.

Broadening our tearoom offering and bringing the mobile catering unit operation in-house doubled catering income to £172,000. However, it has taken time to assess the appropriate staffing levels for different days with different trading patterns. Catering staff costs were £88,000 and reducing

these will be a top priority for 2024. Similarly, while visitor feedback on new menu options has been excellent, we need to raise gross margins on these items. In a good year W & L Sales contributes £20,000 profit to the company and also pays cross-charges for its use of station space, share of utilities, repairs, bank fees and administrative support totalling some £30,000. In 2023 W & L Sales had a loss of £14,000 due to the work on expanding catering and that needs to be reversed in 2024.

Total incoming resources (consolidated statement of financial activities) were £968,000. As well as traffic, retail and catering income, this included £8,000 of grants supporting key day-to-day projects, £90,000 in donations to the upcoming overhaul of No. 7 *Chattenden* and other projects, and £79,000 in legacies from Hugh Appleton, Marshall Cresswell, Ian Dettner, Charles Fisher, Peter Hempson, David Leigh and Alan Willmott (Windjammer Films). Appropriately generous interest rates (4.5%) on our deposits with CCLA also helped generate £52,000 in investment income.

Note 3 shows the railway's operation and preservation costs. In addition to the main capital projects capitalised separately, major project expenditure included the remaining mechanical engineering costs relating to assessing and reassembling for display No.14 (ex-SLR 85) and the civil engineering winter trackwork. The external track costs in 2023 were modest; the excellent work achieved over the winter being due to the dedicated and capable energies of the track gang using materials already to hand. Within working expenses, civil engineering included the many building maintenance smaller projects ably progressed earlier in 2023.

Administrative costs (Note 6) detail the expenditure on operating the railway, on W&L Sales' trading activities and on membership and governance costs. Staff costs in railway operation reflect the full year impact from having two paid workshop staff and the events assistant. W&L Sales includes our catering manager and the casual staff engaged to operate the tearoom and mobile catering unit, including successfully supporting our many events. Electricity costs were £16,000 higher due to 2023 contract prices; the 2024 contracts will have lower unit costs.

The CCLA investments (Notes 7 and 13) delivered £8,000 in dividends and a valuation gain of £18,000 (2022 £33,000 loss, 2021 £35,000 gain). This investment is held for the long-term as a buffer against unforeseen adverse events and the 2020/2021 pandemic showed the benefit of such a reserve.

Our consolidated statement of financial activities follows the format required of all charities. It shows all income and expenditure on one sheet but does mix long-term and short-term activities. Note 25 summarises the income and costs for our different activities in a management accounts format. This shows both day-to-day income and costs by activity, including those donations and grants given to cover

specific operating expenses. Long-term donations are shown separately below, along with how they are spent, sometimes in a different period from when they were received. The generosity of members and other supporters meant that donations and legacies received in 2023 contributed £165,000 that can be applied to the many priorities within the recent business plan update.

Capital expenditure in 2023 was £184,000. In heritage fixed assets this was the comprehensive overhaul of Bowater wagons 610 and 631, completing the work on converting carriage SLR 1066 to second class and completing the overhaul of No. 10 *Sir Drefaldwyn*. In other fixed assets, the capital spend was the fully-fitted mobile catering unit and completing the new bogies for carriage MÁV 430.

Contingent income

The charity is expecting further payments from two legacies already notified. The amounts cannot be estimated with reasonable certainty at the date of this report, but the total could be £20,000.

Restricted funds

The charity has accepted donations and legacies for restricted funds only when the aims of the fund fit within its overall objectives.

Existing restricted funds for No.7 *Chattenden* and other diesels, carriage improvements and maintenance and viaduct protection are planned to be used in the coming years. The 2020 Appeal and heritage wagon funds are awaiting approval of suitable projects. Funds for the restoration of locomotives No. 14, No. 8 *Dougal* and No. 6 *Monarch* are for longer term projects.

Designated fund

The trustees have a designated fund earmarked for fitting out and displays as our interpretation centre plans evolve.

Reserves policy

At the year end, the charity faces four months with little income but with expenditure running higher than normal. This is when major work is undertaken on civil and mechanical engineering, refurbishments, capital items, and when W&L Sales restocks the shops and tearoom.

Reserves, in the form of freely available funds, are therefore needed to cover this period and the start of the operating season until an adequate cash flow builds up from takings, usually in June. The trustees consider six months' unrestricted fund expenditure, plus any approved capital expenditure not already received in the form of a restricted fund, as an

appropriate level of seasonal reserve. This is calculated to be £610,000. The trustees have also decided to retain long term investments, not only to provide bridging finance for restoration, capital projects or purchases until any relevant appeal generates the required money, but also to provide a margin for contingencies. This figure is calculated in line with Charity Commission guidelines bearing in mind the railway's risk management, the overall condition of the infrastructure and the level of insurance cover we purchase. The trustees consider £310,000 to be an appropriate additional reserve. Adding these two figures, reserves of £920,000 were required at 31st December 2023; whilst actual investments, cash and working capital available stood at £1,500,000.

Investment policy

The charity's Memorandum of Association gives the trustees discretion in the investment of funds. The trustees consider that investments in CCLA Investment Management's funds, designed specifically for charities, offer appropriate investment vehicles. The short-term reserves are invested in a deposit fund, which has consistently provided a better return than a commercial bank or building society. Longer-term funds are invested in the investment fund, which is an ethical fund.

The investment managers remain positive on the medium- and long-term prospects for equities with their investments spread across regions and sectors to help manage risk.

THE FUTURE

Faced with the challenge, as in 2022, of attracting sufficient volunteers a reduced timetable was implemented. This resulted in an increase of income for an 18% decrease in number of trains. The operating model has therefore been carried over into 2024. The updated business plan was published in May, and this will form the basis for the company's activities over the next three years. The plan will next be updated in 2026. The major strategies that had been signed off are being re-examined through the Major Projects Advisory Group.

An external safety audit will be completed early in 2024 and the reconstitution of the Safety Management Team will add impetus to addressing the audit recommendations.

The commercial challenges of 2023 will continue throughout 2024 as we face the cost-of-living crisis but should be mitigated by our progression to the new standard operating environment. Planning for the 2024 season has concentrated on ensuring that we can cope with the timetable even with reduced resources; our high end offering and events have been further prioritised to increase spend per visitor. We will still need to ensure we can cope with short term commercial and operating upsets, so a degree of flexibility in our operations will become normal. As in 2023,

this will need excellent operational communication and marketing with a focus on regular updates. We will consolidate the range of offerings that were provided in 2023, including increasing the range of catering as we bring on-train catering in house. The lessons learned from the last three years and considerable visitor and volunteer feedback will be built on in 2024 as we push towards increased operational income and contributions to the charity.

During 2024 we will continue to build on networking and lobbying through our membership of the HRA and Great Little Trains of Wales, and expansion of our liaisons with other railways and organisations. Efforts to preserve and improve the appearance of the railway to ensure it remains attractive to visitors will continue. The condition of buildings and significant infrastructure and their maintenance will be priorities.

Volunteer recruitment has now become critical to the future of the company and our ability to maintain the current levels of operation so there will be an increased focus on it in 2024.

The charity remains extremely grateful for legacies and donations received over past years. Where an indication of possible use for such finances has been given, consideration will be given to accede to those wishes. It must be stressed however, that unrestricted legacies and donations give the railway considerably more flexibility of purpose in these difficult financial times.

Steve Clews

Chairman
16 March 2024

Independent Financial Examiner's report to the Trustees of Welshpool & Llanfair Light Railway Preservation Co. Ltd.

I report to the charity Trustees on my examination of the accounts of the Charitable Company for the year ended 31 December 2023.

Responsibilities and basis of report

As the Trustees of the Charitable Company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Charitable Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charitable Company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the Charitable Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Charitable Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

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

John Fletcher BA (Hons) FCA
15 April 2024

WR Partners
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Consolidated statement of financial activities
for the year ended 31 December 2023
(incorporating the income and expenditure account)

		Unrestricted funds	Restricted funds	Total 2023	Total 2022
Income from:	Note	£	£	£	£
<i>Voluntary income</i>					
Donations, legacies, and grants	2	118,564	86,323	204,887	634,459
<i>Charitable activities</i>					
Railway operation and preservation	3	445,680	-	445,680	387,705
Membership subscriptions		23,367	-	23,367	21,629
<i>Other trading activities</i>					
Commercial trading operations	4	242,544	-	242,544	153,800
<i>Investment income</i>	7	44,406	7,404	51,810	17,390
Total income		874,561	93,727	968,288	1,214,983
Expenditure on:					
<i>Charitable activities</i>					
Railway operation and preservation – working	3	563,062	1,600	564,662	513,665
Railway operation and preservation – projects	3	200,298	32,725	233,023	269,903
Membership and governance expenses	5	22,375	-	22,375	28,269
<i>Other trading activities</i>					
Commercial trading operations	4	256,448	-	256,448	141,486
Total expenditure		1,042,183	34,325	1,076,508	953,323
Net gain/(loss) on investments	13	18,000	-	18,000	(33,000)
Net income/(expenditure) for the year		(149,622)	59,402	(90,220)	228,660
Gross transfers between funds	20	-	-	-	-
Net movement in funds for the year		(149,622)	59,402	(90,220)	228,660
<i>Reconciliation of funds:</i>					
Total funds brought forward		2,996,420	193,213	3,189,633	2,960,973
Total funds carried forward		2,846,798	252,615	3,099,413	3,189,633

The above results are all derived from continuing activities. All gains and losses recognised in the period are included above. The surplus/(deficit) for the year for Companies Act purposes comprises the net income for the year including the gain on the revaluation of the investments and amounts to a loss of £(90,220),(2022 £228,660 surplus).

Consolidated and charity balance sheets

as at 31 December 2023

Company Registration No.00646238		Group		Charity	
		2023	2022	2023	2022
Fixed assets	Note	£	£	£	£
Heritage fixed assets	11	874,253	854,285	874,253	854,285
Other tangible fixed assets	12	672,497	709,949	672,497	709,949
Investments	13	274,000	256,000	304,000	286,000
		1,820,750	1,820,234	1,850,750	1,850,234
Current assets					
Stocks	14	101,100	104,100	73,000	79,000
Debtors	15	107,680	179,473	132,145	179,473
COIF deposit account		1,033,844	984,035	1,033,844	984,035
Bank accounts and cash balances	16	177,122	201,865	164,661	188,030
		1,419,746	1,469,473	1,403,650	1,430,538
Creditors: amounts falling due within one year					
Trade creditors		49,884	11,230	49,884	11,230
Other creditors including tax and social security	17	4,696	3,289	4,696	6,668
Accruals and deferred income	18	53,642	54,285	53,642	54,285
		108,222	68,804	108,222	72,183
Net current assets		1,311,524	1,400,669	1,295,428	1,358,355
Creditors: amounts falling due after more than one year	18	32,861	31,270	32,861	31,270
Total net assets		3,099,413	3,189,633	3,113,317	3,177,319
The funds of the charity:					
Unrestricted funds		2,793,363	2,944,541	2,807,267	2,932,227
Designated funds		53,435	51,879	53,435	51,879
Total unrestricted funds	19	2,846,798	2,996,420	2,860,702	2,984,106
Restricted income funds	20	252,615	193,213	252,615	193,213
Total funding provided		3,099,413	3,189,633	3,113,317	3,177,319

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

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

No audit is required in accordance with section 144 of the Charities Act 2011.

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

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

The financial statements were approved and authorised for issue by the Trustees on 17 March 2024 and signed on their behalf

Steve Clews (Chairman of the Trustees)

Iain McLean (Vice Chairman)

Consolidated cash flow statement
for the year ended 31 December 2023

		2023		2022	
	Note	£	£	£	£
Net cash provided by/(used in) operating activities	23		201,683		367,364
Cash flows from investing activities:					
Dividends from investments	23	7,783		7,663	
Acquisition of heritage and other tangible fixed assets	11 12	(184,400)		(224,790)	
Disposal of tangible fixed assets		-		-	
(Acquisition) / divestment of investment assets	13	-		-	
Net cash provided by / (used in) investing activities			(176,617)		(217,127)
Cash flow from financing activities:					
Financing activities in year			-		-
Net cash provided by/(used in) financing activities			-		-
Change in cash and cash equivalents in the year	22		25,066		150,237
Cash and cash equivalents at beginning of year	22		1,185,900		1,035,663
Cash and cash equivalents at end of year	22		1,210,966		1,185,900

Notes to the accounts

31 December 2023

1. Accounting policies

The Welshpool & Llanfair Light Railway Preservation Co Ltd is a limited company domiciled and incorporated in England and Wales. The registered office is at The Station, Llanfair Caereinion, Welshpool, Powys, SY21 0SF. The company is registered as a charity (Number 1000378) with the Charity Commission. It is limited by guarantee and controlled equally by all its members. The company meets the definition of a public benefit entity under FRS102.

(a) Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) of the Charity Commission (revised 2015), Financial Reporting Standard (FRS) 102 and the Companies Act 2006, under the historical cost convention, modified to include financial instruments at fair value where appropriate. Investments are included at market value.

The company's functional currency is GBP sterling.

After reviewing the company's forecasts, the trustees have a reasonable expectation that the company has adequate resources to continue operating for the foreseeable future and there are no material uncertainties about the charitable group's ability to continue as a going concern. The company therefore continues to adopt the going concern basis in preparing these financial statements.

(b) Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. In the opinion of the trustees there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(c) Group financial statements

These financial statements consolidate the results of the charity and its wholly-owned subsidiary, W&L Sales Ltd (registered in England and Wales:03037235), on a line by line basis.

A separate Statement of Financial Activities (SOFA) for the charity itself is not presented because it has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006. The charity has also availed itself of paragraph 4(1) of Schedule 1 of the Companies Act 2006 and adapted the Companies Act formats to reflect the special nature of the charity's activities.

(d) Income

(i) Charitable activities

Income from railway fares is included in income in the period in which the relevant journey takes place.

Subscriptions are brought into income in equal monthly instalments for each length of membership. Life membership income is spread over twenty years.

(ii) Other trading activities

Income from the commercial trading operations of W&L Sales Limited is included in income in the period in which the sale is made.

(iii) Donations, legacies, and grants

These are included in income when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

(iv) Intangible income

The group is heavily dependent on members who give their time to assist in the activities and running of the charity and in staffing the trading outlets of W&L Sales Ltd. No monetary value is placed on this time in these financial statements; nor is any value attributed to individual gifts in kind valued at less than £1,000.

(e) Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for the goods or service. Rental payments are charged to income on a straight-line basis over the period to which they relate.

(i) Repairs and maintenance

Expenditure is written off in the period in which it is incurred. A major repair or refurbishment, which gives rise to a significant and continuing economic benefit to the charity by extending the useful life of the asset, is capitalised.

(ii) Overhead allocation

Administration and management costs comprise those overhead expenses which, whilst mainly related to the charitable activities, are not wholly so attributable. The proportion relating to the organisational management of the charity and its compliance with constitutional and statutory requirements is shown separately as Governance.

(iii) Pension costs

Retirement benefits for certain employees are funded by defined contributions from the group. Payments are made to approved pension providers. The group's contributions are treated as expended in the period in which they become payable.

(f) Tangible fixed assets and depreciation

The railway's fixed assets are categorised into Heritage and Other.

Heritage fixed assets are land, buildings, permanent way, locomotives and rolling stock which are of historical significance in the preservation of the railway or otherwise integral to the broader objective of educating the public in the history and development of railway locomotion. Other fixed assets are integral to the operation of the railway, but of lesser historical significance and in some form replaceable.

Acquisitions are made by purchase or donation and assets are included at cost, or estimated cost if donated. Major restoration work to assets that have been out of use for some time is also capitalised at cost. Maintenance costs to keep assets in full working order are charged to the income and expenditure account when incurred. Subject to the trustees' approval, the company may dispose of fixed assets; though in the case of heritage fixed assets this will only happen in very exceptional circumstances.

The company's policy and programme of maintenance is summarised in the trustees' report and the company's website has details of its collection of locomotives and rolling stock and the history of the line.

No depreciation is charged in respect of freehold land. Other assets are depreciated, so as to write their cost down to estimated residual value. Depreciation is normally charged in equal annual instalments over their anticipated useful lives, as follows:

Permanent way	2%
Site works	4%
Buildings	2% - 3%
Locomotives and rolling stock	5%
Plant and equipment	10% - 20%

(g) Investments

Fixed asset investments are stated at market value at the balance sheet date. The statement of financial activities (SOFA) includes the net gains and losses arising on revaluations and disposals throughout the period.

(h) Stocks

These are stated at the lower of cost or net realisable value, due allowance being made for obsolete and slow-moving items. Donated items are included at estimated cost.

(i) 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. Any bank overdrafts are shown within borrowings in current liabilities.

(j) Financial assets and liabilities

The company 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. Trade debtors, trade creditors and amounts due from the subsidiary company are recognised initially at transaction price. These obligations are intended to be settled within one year and are therefore not discounted using the effective interest method. Transaction cost represents their fair value.

(k) Equity instruments

There were no equity instruments issued in the year.

(l) Fund accounting

Funds held by the charity are either:

Unrestricted funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees;

Designated funds – these are unrestricted funds that have been set aside by the trustees for particular purposes; or

Restricted funds – these funds, which arise from grants or donations made for a specific purpose, can only be used for that particular purpose within the objects of the charity. Restrictions arise when stipulated by the donor or grantor or where funds are raised for a specified purpose. The balances of the funds represent the unspent balances.

(m) Contingent income

The charity sometimes benefits from legacies with payment received over several years. When further receipt is uncertain, amounts may be shown as contingent income.

2. Donations, legacies, and grants

	Unrestricted	Restricted	2023	2022
	£	£	£	£
Gift aided donations	1,876	77,620	79,496	49,538
Other donations	1,497	8,703	10,200	6,181
Legacies	78,729	-	78,729	535,271
Gift Aid on fares	28,615	-	28,615	26,896
Grants – Powys Council	7,328	-	7,328	-
Grants – Welsh Govt	519	-	519	673
Grants – Heritage Lottery Fund	-	-	-	15,900
<hr/>				
Total 2023	118,564	86,323	204,887	634,459
Total 2022	622,400	12,059	634,459	

3. Railway operation and preservation

Turnover	Note	2023		2022	
		£	£	£	£
Fares			435,631		378,845
Keyse Cottage receipts		3,824		923	
Solar panels and EV charging income		4,420		4,472	
Sale of surplus materials and parking		1,805		3,465	
Other operating income			10,049		8,860
Income from railway operation and preservation			445,680		387,705
Working expenses					
Fuel		62,736		70,650	
Repairs and maintenance:					
Mechanical engineering		51,606		45,736	
Civil engineering		42,675		25,632	
Costs for special trains & events		45,655		67,953	
Loco hire fees		15,169		13,401	
Keyse Cottage running expenses		2,035		1,667	
Administration and management costs	6	344,786		288,626	
Total working expenses of railway operation and preservation			564,662		513,665
Major project expenditure					
Mechanical engineering		8,500		2,000	
Civil engineering		22,639		96,523	
Depreciation	11 12	201,884		171,380	
(Gain)/loss on disposal		-		-	
Total major project spend on railway operation and preservation			233,023		269,903
Net cost of railway operation and preservation			352,005		395,863

4. Subsidiary's trading activities

	Note	2023		2022	
		£	£	£	£
Income – Consultancy		-		1,550	
Income – Catering		171,502		87,850	
Income – Shops		71,042		64,400	
Total trading income			242,544		153,800
Less: Catering cost of sales		98,160		45,612	
Gross tearoom profit			42.8%		48.1%
Less: Shops cost of sales		38,784		34,260	
Gross shops profit			45.4%		46.8%
Less: Administration and management costs	6	119,504		61,614	
Total trading expenditure			256,448		141,486
<hr/>					
Net (loss)/profit for the year			(13,904)		12,314

Subsidiary's balance sheet at year-end

	2023	2022
Current assets -other	40,561	38,935
Current (liabilities) – other	-	-
Current assets / (liabilities) – inter-company balance with parent company	(24,465)	3,379
<hr/>		
Net assets	16,096	42,314

W&L Sales Limited is a 100% owned subsidiary, with £30,000 share capital.

5. Membership and governance expenses

	Note	£ 2023	£ 2022
The Llanfair Railway Journal		12,982	11,954
Membership expenses	6	5,659	5,753
Governance costs	6	3,734	10,562
		22,375	28,269

6. Administration and management costs

	Railway operation & preservation	Commercial trading W&L Sales Ltd	Membership and governance	Total 2023	Total 2022
	£	£	£	£	£
Establishment					
Rent, rates, water and insurance	41,804	-	-	41,804	38,386
Electricity and heating	25,320	-	-	25,320	8,966
Equipment rental and maintenance	5,340	-	-	5,340	4,419
Cleaning and hygiene supplies	13,634	-	-	13,634	12,928
Rent charged to trading	(19,887)	19,887	-	-	-
	66,211	19,887	-	86,098	64,699
Selling					
Advertising and publicity	26,283	-	-	26,283	31,120
Administrative					
Staff costs <i>(Note 9)</i>	199,513	87,617	-	287,130	187,186
Travelling	1,422	-	-	1,422	1,017
External training	3,130	-	-	3,130	6,873
Telephone and radio	4,671	-	-	4,671	4,084
Postage, stationery, and IT costs	6,872	-	-	6,872	4,381
Independent audit/examination fees	-	-	1,500	1,500	8,500
Accountancy fees	19,265	-	-	19,265	17,690
General expenses	5,237	-	7,893	13,130	15,270
Admin recharge to trading	(12,000)	12,000	-	-	-
	228,110	99,617	9,393	337,120	245,001
Financial					
Bank charges and booking processing costs	24,182	-	-	24,182	25,735
2023 Total	344,786	119,504	9,393	473,683	366,555
2022	288,626	61,614	16,315	366,555	

7. Investment income

	2023	2022
	£	£
CCLA Charity Investment Funds:		
– Investment fund shares	7,783	7,663
CCLA Deposit Fund	44,027	9,693
– Interest		
Interest on tax	-	34
	51,810	17,390
Of which: restricted	7,404	4,520
unrestricted	44,406	12,870

8. Taxation

No liability arises to corporation tax for the financial period by reason of the company's charitable status and the donation by gift aid of its net profits by the subsidiary. There is no deferred taxation to be recognised.

9. Information regarding trustees/directors and employees

	2023	2022
	£	£
<i>(a) Staff costs during the period were:</i>		
Wages and salaries	261,791	170,067
Social security costs	14,411	9,659
Other pension costs	10,928	7,460
	287,130	187,186

No member of staff received emoluments in excess of £60,000 (2022: Nil). Key Management received emoluments of £48,710 (2022 £46,872). In addition to its paid staff, the charity benefits from the substantial efforts of over 250 working volunteers.

<i>(b) Average number of persons employed</i>	Number 2023	Number 2022
Charity (full time equivalent)	6	6
Subsidiary (full time equivalent)	4	2
	10	8

The group employed 23 (2022 18) different employees during the year.

(c) Trustees

As a charity, the company is precluded from providing any emoluments for its trustees/directors and the Articles of Association of the subsidiary contain a similar provision. Trustees received £Nil as reimbursement of travel expenses (2022: £Nil).

10. Related party transactions

There were no related party transactions in the year. Of the trustees, Steve Clews is a director of Oswestry and Borderlands Tourism Ltd, Shropshire Union Canal Society, the Heritage Railway Association and the Heritage Rail Charitable Trust. Robert Robinson is town clerk to Llanfair Town Council. Helen Ashby is chair of the Friends of Sierra Leone National Railway Museum. Andrew Charman is chair of Cloverlands Museum and editor of Narrow Gauge World. These trustees have recused themselves from any discussions or decisions on topics that may have given rise to a conflict of interest. In 2023, the Friends of Sierra Leone National Railway Museum made a donation of £8,500 to the railway towards costs related to locomotive No 85.

11. Heritage fixed assets: group and charity

	Freehold land, site works, buildings, and permanent way £	Locomotives and rolling stock £	Other plant and equipment £	Total £
Cost				
At 31 December 2022	596,266	1,400,101	12,507	2,008,874
Additions	-	101,878	-	101,878
(Disposals)	-	-	-	-
At 31 December 2023	596,266	1,501,979	12,507	2,110,752
Depreciation				
At 31 December 2022	424,345	717,737	12,507	1,154,589
Charges for the period	15,118	66,792	-	81,910
(Disposals)	-	-	-	-
At 31 December 2023	439,463	784,529	12,507	1,236,499
Net book amount				
31 December 2023	156,803	717,450	NIL	874,253
31 December 2022	171,921	682,364	NIL	854,285

There was no capital expenditure contracted for at the period end (2022: Nil).

Five-year summary of heritage fixed asset transactions:

Year Year	Purchases £	Major items
2019	147,662	No. 10 <i>Sir Drefaldwyn</i> No. 1 <i>The Earl</i>
2020	190,183	No. 10 <i>Sir Drefaldwyn</i> No. 1 <i>The Earl</i>
2021	144,619	No. 10 <i>Sir Drefaldwyn</i> No. 1 <i>The Earl</i>
2022	77,342	No. 10 <i>Sir Drefaldwyn</i> <i>Sierra Leone carriage 1066</i>
2023	101,878	<i>Bowater wagons 610 and 631</i> <i>Sierra Leone carriage 1066</i>

12. Other tangible fixed assets: group and charity

Cost	Freehold land, site works, buildings & permanent way	Locomotives & rolling stock	Other plant & equipment	Total
	£	£	£	£
At 31 December 2022	878,624	475,717	357,545	1,711,886
Additions	-	26,243	56,279	82,522
(Disposals)	-	-	(2,180)	(2,180)
At 31 December 2023	878,624	501,960	411,644	1,792,228
Depreciation				
At 31 December 2022	464,995	318,785	218,157	1,001,937
Charge for the period	36,998	33,898	49,078	119,974
(Disposals)	-	-	(2,180)	(2,180)
At 31 December 2023	501,993	352,683	265,055	1,119,731
Net book amount				
31 December 2023	376,631	149,277	146,589	672,497
31 December 2022	413,629	156,932	139,388	709,949

There was £24,000 of capital expenditure contracted for at the period end (2022: £105,000).

13. Investments

COIF charity funds	Number	Group		Charity	
		2023 £	2022 £	2023 £	2022 £
Investment Fund shares					
At 1 January at market value	14,119	256,000	289,000	256,000	289,000
Disposals	-	-	-	-	-
Gain/(loss) on investment from change in value		18,000	(33,000)	18,000	(33,000)
At 31 December at market value	14,119	274,000	256,000	274,000	256,000
Shares in subsidiary					
At 31 December at cost	30,000			30,000	30,000
		274,000	256,000	304,000	286,000
Historic cost at 31 December		147,000	147,000	177,000	177,000

The investment in the subsidiary represents the whole of the issued share capital, comprising ordinary shares, of W&L Sales Ltd (company number 03037235). W&L Sales Ltd carries on the commercial trading activities of the group through shops and refreshment facilities at stations and away from the line and donates its entire net profit to the parent company by Gift Aid. The total of its capital and reserves is £16,096 (2022: £42,314). Further details on W&L Sales Ltd are shown in Note 4.

14. Stocks

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Stores	73,000	79,000	73,000	79,000
Goods for resale	28,100	25,100	-	-
	101,100	104,100	73,000	79,000

15. Debtors

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	17,440	11,860	17,440	11,860
Prepayments and accrued income	42,725	110,427	42,725	110,427
VAT	12,726	28,829	12,726	28,829
Gift Aid recoverable	34,789	28,357	34,789	28,357
Amount due from subsidiary company	-	-	24,465	-
	107,680	179,473	132,145	179,473

16. Bank overdraft

The group has overdraft facilities of £Nil (2022 - £Nil).

17. Other creditors including tax and social security

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
PAYE	4,696	3,289	4,696	3,289
Amount due to subsidiary company	-	-	-	3,379
	4,696	3,289	4,696	6,668

18. Accruals and deferred income

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Subscriptions in advance	50,603	46,495	50,603	46,495
Less: falling due after more than one year	(32,861)	(31,270)	(32,861)	(31,270)
	17,742	15,225	17,742	15,225
Accruals and deferred income	35,900	39,060	35,900	39,060

53,642 54,285 53,642 54,285

19. Unrestricted funds

	Balances 31 Dec 2022 £	Income £	(Expenditure) £	Transfers/ revaluation £	Balances 31 Dec 2023 £
<i>General funds</i>	2,944,541	873,005	(1,042,183)	18,000	2,793,363
<i>Designated funds – future capital projects</i>					
Museum/Interpretation Centre	51,879	1,556	-	-	53,435
	51,879	1,556	-	-	53,435
Total unrestricted funds	2,996,420	874,561	(1,042,183)	18,000	2,846,798

Many donations and legacies fund the purchase of fixed assets, which are then depreciated over future years. At 31 December 2023, £1,250,151 (2022: £1,345,684) of General funds represents reserves that will match future depreciation of the assets bought with those donations and legacies.

20. Restricted funds

	Balances 31 Dec 2022 £	Income £	(Expenditure) £	Transfer from/(to) unrestricted funds £	Balances 31 Dec 2023 £
Restoration of No.6 <i>Monarch</i>	6,952	337	-	-	7,289
Restoration of No.14	28,292	9,541	(8,500)	-	29,333
Restoration of No. 8 <i>Dougal</i>	1,621	821	-	-	2,442
Zillertal carriages maintenance	3,740	112	(1,600)	-	2,252
Carriage improvement fund	47,899	14,536	(24,225)	-	38,210
Heritage wagon fund	4,145	124	-	-	4,269
Overhaul of No. 7 <i>Chattenden</i>	24,663	63,661	-	-	88,324
Diesel maintenance	5,668	170	-	-	5,838
Viaduct and bridges protection	22,752	683	-	-	23,435
2020 appeal	47,481	3,742	-	-	51,223
	193,213	93,727	(34,325)	-	252,615

21. Analysis of group net assets by fund

	Unrestricted funds £	Restricted funds £	Total 31 Dec 2023 £
Tangible heritage and other fixed assets	1,546,750	-	1,546,750
Investments	234,936	39,064	274,000
Net current assets	1,097,973	213,551	1,311,524
Long term liabilities	(32,861)	-	(32,861)
	2,846,798	252,615	3,099,413

22. Analysis of changes in net funds

	At 31 Dec 2022 £	Cash flows £	At 31 Dec 2023 £
Bank and cash balances	201,865	(24,743)	177,122
COIF Deposit account	984,035	49,809	1,033,844
	1,185,900	25,066	1,210,966

23. Net cashflow from operating activities

	2023 £	2022 £
Net income/(expenditure) per Statement of Financial Activities	(90,220)	228,660
Adjust for non-cash items:		
Depreciation	201,884	171,380
Net (gain)/loss on investments	(18,000)	33,000
Adjust for working capital changes:		
(Increase)/decrease in stocks	3,000	(8,900)
(Increase)/decrease in debtors	71,793	(21,228)
(Decrease)/increase in creditors	41,009	(27,885)
Adjust for dividends received: (shown separately in Cashflow)	(7,783)	(7,663)
	201,683	367,364

24. Statement of financial activities:

Prior year comparisons by fund type

	Unrestricted funds £	Restricted funds £	Total 2022 £
Income from:			
<i>Voluntary income</i>			
Legacies and donations	622,400	12,059	634,459
<i>Charitable activities</i>			
Railway operation and preservation	387,705	-	387,705
Membership subscriptions	21,629	-	21,629
<i>Other trading activities</i>			
Commercial trading operations	153,800	-	153,800
<i>Investment income</i>	12,870	4,520	17,390
Total income	1,198,404	16,579	1,214,983
Expenditure on:			
<i>Raising funds</i>	-	-	-
<i>Charitable activities</i>			
Railway operation and preservation – working	509,061	4,604	513,665
Railway operation and preservation – projects	208,678	61,225	269,903
Membership and governance expenses	28,269	-	28,269
<i>Other trading activities</i>			
Commercial trading operations	141,486	-	141,486
Total expenditure	887,494	65,829	953,323
Net gain/(loss) on investments	(33,000)	-	(33,000)
Net income/(expenditure) for the year	277,910	(49,250)	228,660

25. Management accounts summary financials by activity

	Railway operation and preservation £	W&L Sales -Retail & catering £	Appeals & investment income £	Membership and governance £	2023 £	2022 £
Income from daily operating activities	445,680	242,544	51,810	23,367	763,401	580,524
Gift Aid on fares	28,615	-	-	-	28,615	26,896
Donations – earmarked to running cost items	3,750	-	-	-	3,750	10,800
Grants - for running costs: local engagement /audience research	7,847	-	-	-	7,847	15,900
Daily operating (costs)	(564,662)	(256,448)	-	(22,375)	(843,485)	(675,920)
Net income: Daily operations	(78,770)	(13,904)	51,810	992	(39,872)	(41,800)
 <i>Long term income</i>						
Donations, Legacies, Grants			164,675		164,675	580,863
(Loss)/Gains on investments			18,000		18,000	(33,000)
(Audit fee) – due to legacy income			-		-	(7,500)
 <i>Long term project expenditure</i>						
Major project (spend)	(31,139)	-		-	(31,139)	(98,523)
(Depreciation)	(201,884)	-		-	(201,884)	(171,380)
Net income/ (expenditure) by activity	(311,793)	(13,904)	234,485	992	(90,220)	228,660

Minutes of 2023 Annual General Meeting

WELSHPOOL & LLANFAIR LIGHT RAILWAY PRESERVATION CO LTD

**Sixty fourth Annual General Meeting held at 5.00pm
on Saturday 13 May 2023 at the Station, Llanfair Caereinion, Powys**

Present:

Tony Thorndike (Vice President)	David Jones
Steve Clews (Chairman)	Bob Mason
Andrew Charman	James Brett (General Manager)
John Forman	Michael Reilly (Company Secretary)

and 28 other members, including 15 by video-link

Steve Clews chaired the meeting

Apologies for Absence

Apologies were received from the Earl of Powis (President), Alan Higgins (Vice-President), Sir Philip Williams (Vice-President), Helen Ashby, Dick Johnson, Annora Johnson, Mervyn Pritchard and Richard Thomas.

1. Minutes of the Annual General Meeting on 15 May 2022

The minutes of the previous AGM were agreed as a true record. There were no matters arising.

2. Audited Consolidated Financial Statements and Report of the Trustees for the year ended 31 December 2022

Steve Clews highlighted the main points of the annual report.

In some ways 2022 had been more difficult than 2021, the main difficulties being high inflation and instability in the supply of coal. But passenger numbers were encouraging, at 96% of 2019 levels, with operating income 38% higher, due in part to an increased uptake of premium and add-on experiences. Shop income held up well, tearoom income less so although we again received a useful contribution from the mobile catering unit. We welcomed the Cloverlands model car museum as an additional attraction at Llanfair and unlike some railways we had been able to continue operating with steam traction during the hot, dry days of the summer. Paid staff and volunteers alike had all worked hard to make this possible and Steve Clews thanked them all for their important contributions.

Bob Mason then summarised the main features of the Consolidated Financial Statements. The headline was a very impressive 78% increase in income due mainly to income from special events. The success of these varied, however, and we aimed to build on the successful ones and learn from the others in 2023. Other important points to note were the importance of the contribution made by W&L Sales to income, although this had been lower in 2022 than in 'normal' years; and the £27,000 contribution from Gift Aid, which covered roughly two-thirds of the cost of our coal for the year. While we had recorded a deficit on day-to-day activities this year, the £100,000 insurance payout in 2021 from our pandemic cover had provided a useful buffer. The goal was still to balance the books on day-to-day operations. We had received more helpful support from the National Lottery Heritage Fund and some more generous bequests. Our reserves were a healthy £1.6 million at year-end although this would reduce significantly as the business plan progressed.

In subsequent questions, Kate Billmore asked how ‘Steambricks’ was expected to make a profit in 2023, given that it had not done so in 2022. Bob Mason explained that it would be advertised more and held in Welshpool not Llanfair. James Brett added that the focus would be on ‘hands-on interaction’ rather than an expensive static display, so the overall cost would be roughly one-third of the previous year’s event. Steve Davidson noted that railway operating costs were higher than revenue and asked for an explanation, expressing concern that this suggested that income from donations and legacies was being used to cover running costs. Bob Mason said that this was why revenue from W&L Sales was so important. In common with almost all heritage railways, income from ticket sales alone was insufficient to cover railway operating costs. Almost 30% of traffic income went on coal and basic locomotive running repairs alone. We therefore looked to our sales subsidiary and membership subscriptions to cover the difference. Note 25 in the accounts explained day-to-day income and expenditure in more detail. Income from legacies was used for investment and capital spending, not to cover running costs.

The adoption of the Annual Report of the Trustees and the Audited Consolidated Financial Statements was then proposed by Steve Davidson, seconded by Tony Thorndike, and passed unanimously.

3. Election of Trustees

John Forman and Robert Robinson were retiring from the board by rotation and standing for re-election. Ryk Parkinson and Anne-Marie Wright were standing for election. Since there were four candidates for four places the Articles required a single-stage ballot. The ballot was held, all four candidates received more votes in favour than against and were therefore elected or re-elected to the board.

4. Election of President

Steve Clews proposed that the Earl of Powis be elected President, which was seconded by Steve Davidson and agreed unanimously.

5. Election of Vice Presidents

The following nominations were made: Alan Higgins, Tony Thorndike, and Sir Philip Williams. With the consent of the meeting, the nominations were put collectively and agreed unanimously, Andrew Charman proposing and Anne-Marie Wright seconding.

There being no further business, Steve Clews thanked those responsible for organising the meeting and all who attended or joined by video-link and the meeting closed at 5.40pm.