

Welshpool & Llanfair Light Railway Preservation Co. Ltd.

Annual Report and Accounts 2024

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Administrative details

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25 Severn Street
Welshpool
Powys SY21 7AD

Auditor W R Partners
Hafren House
10 St. Giles Business Park
Newtown
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
(until September)

Engineering Manager James Mander

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at the station, Llanfair Caereinion, on Saturday 17 May 2025 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 2024.
2. To elect directors. The Articles of Association stipulate that one-third of directors shall retire annually. Steve Clews, Peter Green, David Jones and Bob Mason 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, Sir Philip Williams and Michael Whitehouse have confirmed their willingness to be re-elected.

Immediately after the end of the 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 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 2024 were:

	<i>Number of trustees' meetings attended</i>	
	<i>Actual / Possible</i>	
Steve Clews <i>Chairman</i>	6	6
Iain McLean <i>Vice Chairman</i>	5	6
Helen Ashby	5	6
Simon Bowden	3	5*
Andrew Charman	6	6
John Forman	6	6
Peter Green	4	6
David Jones	4	6
Bob Mason	6	6
Ryk Parkinson	5	6
Anne-Marie Wright	6	6

**possible attendance 5 meetings due to covering essential operational requirements*

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 2024. It meets the requirements for charity accounting prescribed by 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 paying 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, who are also directors of Welshpool & Llanfair Light Railway Preservation Co. Ltd for the purposes of company law, 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 auditor 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 auditor 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. They are encouraged, however, to identify their own training needs. Trustees are provided with 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.

Risk management

The company has a formal risk management process, identifying in detail the risks to which it is exposed.

The board of trustees keep six registers of risks to the business. These cover risks at a company level 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. Emerging and changed risks are identified and documented at each board meeting. An annual review of all six registers was held in the first quarter of 2024.

The railway management reviews and manages operational risk through a documented risk assessment and mitigation process. The process is managed by the safety officer with heads of department providing departmental input.

Health and safety

The safety and welfare of visitors, staff and volunteers takes precedence over all other activities. During 2024 the company had three reportable incidents. Two were signals passed at danger (SPAD). The third was derailment of the Wickham Trolley during the August gala event, which resulted in injuries to three people. The RAIB was informed and accepted that we would investigate internally. Relevant departments were briefed on the recommendations from the investigation, which will also form part of the annual safety audit action plan.

There were several minor operational incidents, near misses, and injuries which were recorded and investigated using our internal processes, with reporting to the Safety Management Team at each meeting, 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 2024, an action plan, led by the general manager, has led to further improvements to document control, competence management, risk assessments and other measures. The Safety Management Team continued to meet regularly during the year. Updating of the Operating Rule Book and Emergency Response Plans continued with a target of implementation for the 2025 running season.

Staff continue to work with the Heritage Railway Association, our regulator the 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, Lifting, and Food Hygiene. Seven members of staff attended an externally provided course to qualify as track patrollers, and four staff gained qualifications in the operation of excavators and other plant.

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 company built upon recent experience to continue to rebuild passenger numbers and revenue, with a consolidation of special events and experiences. Trains operated on 177 days, 8 more than in 2023. We continued to encourage online booking to help in managing capacity and improving the visitor experience, with Llanfair boarding being promoted for catering and first class services. Several new ticket categories were introduced to better reflect our offering to single adult family units and those with additional access needs. The continued challenging economic climate saw passenger numbers down by 1,000 compared to 2023, and similarly down on the budget plan, primarily due to a shortfall in expected Santa Special event footfall and poor weather.

Revenue similarly fell short of budget, but income per passenger increased more than the average ticket price due to the nudge towards higher quality or added experiences, such as on-train picnic hampers. Our afternoon tea train delivery was brought back in-house and sold out on most dates. Premium experiences continue to help fill trains at quieter times and increase our income per visitor. Alongside afternoon tea and evening fish & chips specials, more dates were added for the gin & whisky tasting train in partnership with a local distillery. Despite operating more days, the railway ran fewer trains than in 2023, with more mid-week and low season days having two rather than three timetabled round trips, helping improve efficiency, offset the rise in operating costs and providing a shorter and more attractive duty for most staff.

The year saw an improved three day beer and cider festival event hosted at Raven Square station, a new Teddy Bears' Picnic family event, and two externally delivered character events, Bluey and Paw Patrol, alongside returning favourites, including the Easter 'Carrot Express' and Build-in-Bricks activities, which helped drive traffic to our Llanfair Connections Museum during May half-term. All these events helped bring in additional income and new customers.

All departments at the railway contributed to these successes, often adapting to operational changes at short notice. Timetables for the year were planned around predicted available staff levels, and a good number of new staff started with us and qualified in a range of roles. Despite this, short notice cover during the peak season remained a challenge.

Track, infrastructure and buildings

At the start of the year a mainline point and track in the platform road at Cyfronydd were replaced. The old 1902 rail was taken up and a new ballast bed with new drainage, plastic sleepers and S30 rail laid. The point work and track were ready for operation at Easter and the lever frame was fully installed by mid-summer. New ballast walls just east of Golfa summit should prevent the loss of ballast at the side of the embankment and help

stabilise the track. The retaining wall at Sign Hut Curve was extended, again to retain ballast. Other locations also received attention.

Spot sleepers were used to replace more than 70 life expired sleepers. A broken rail west of Banwy Bridge was replaced and numerous other maintenance jobs carried out. Over 12 days of flailing took place, cutting back all undergrowth and trees within reach. On completion, and after training several successors, Dave 'Tractor Dave' Davies retired. He is to be thanked for faithfully flailing for many years. Thanks to externally provided track inspection training, we now have six qualified track patrollers so that Colin Bull, who has carried the burden for some time, can at long last retire. He does so with our grateful thanks.

A failed culvert caused a sinkhole to appear under the track and storm damage included a major landslide in a cutting on Golfa Bank. Increasingly severe weather patterns mean that we need to be vigilant about the state of our infrastructure. As part of this, a survey was carried out on our river frontage, fortunately revealing nothing requiring urgent attention. We similarly continue to monitor the condition of the Banwy Bridge.

Proposals for the repair and future use of the former Colinette building are being developed following receipt of a substantial grant. Routine maintenance of our other buildings, often unnoticed but essential, is carried out by the midweek gang. A lot of their effort this year has been expended around Raven Square station. More volunteers are needed both here and for the track gang, to maintain these vital functions of our railway.

Steam locomotives

In 2024 the steam locomotive fleet accumulated a total of 6588 miles, of which No. 1 *The Earl* completed 5387 miles, No. 10 *Sir Drefaldwyn* 561 miles and ZB2 *Zillertal* (our No. 21), on-hire from the Zillertalbahn, 640 miles. Including for test and running-in purposes, No. 1 was in steam on 151 days, No. 10 on 21 days and No. 21 on 20 days.

ZB2 was taken out of service in early July due to firebox stay failures which were deemed beyond economic repair for an on-hire locomotive. The loco was returned to the Zillertalbahn on 27th November.

No. 10 returned to traffic at the gala following completion of its finish painting and lining. Locomotive No. 8 *Dougal* was despatched to the Sittingbourne & Kemsley Light Railway in April, where in exchange for their assistance with repairing the boiler, the loco will enjoy a period on loan.

During the year we used up the last of our supply of Welsh steam coal from Ffos y Fran and ran most of the year on Polish steam coal. With the cost of Polish coal being more attractive than recent deliveries of either Welsh or bio-fuels, our average round trip fuel cost in 2024 was lower than in both 2022 and 2023.

Rolling stock

The carriage fleet accumulated a mileage of 27774 in passenger service, plus 413 miles on engineering trains due to the withdrawal of the mess coach. Work continued throughout the year on refurbishing and modifications to ex-RNAD wagon No. 41 to prepare it for mounting a custom-built welfare unit for use as a new mess coach.

An order was placed with Alan Keef Ltd for two new rail wagons to replace our ex-RNAD wagons Nos. 35 and 38 which had been withdrawn in 2023 due to excessive corrosion. The new wagons will incorporate our spare Butterley-built (ex-Bowater) wagon bogies suitably overhauled and will be vacuum-fitted.

Diesel locomotives

The failure of ZB2 in early July plus the delay in getting No. 10 back into service resulted in Diema locomotive No. 17 accumulating a significant passenger train mileage when two train sets were operating. Overall, it clocked-up 1726 miles in the year, including use on engineering trains. No. 7 *Chattenden* was in use throughout the year principally on engineering trains although it did see limited passenger use at the gala.

Alishan Forest Railway diesel locomotive DL-34 (W&L No. 22) arrived back at Llanfair in early April after having a vacuum brake system fitted over the winter. Grondana couplings were fitted upon its return, and it was ceremonially launched into service in May in the presence of representatives of the Alishan Forest Railway. Subsequent test running indicated that the performance of the second-hand exhaustor built into the vacuum system was sub-optimal and this has been stripped for examination.

Education and heritage

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

Llanfair Connections and the Cloverlands Model Car Museum were open to the public on 92 days and welcomed 4,021 visitors, a 73.5% increase over 2023. The opening of both facilities continued to be restricted by the lack of volunteer stewards and our aim for the future continues to be to open daily when trains are running.

New displays incorporating artefacts found in store on the railway included an original cylinder from *The Earl* that had been replaced during the 1999-2000 overhauls. A line phone from the original single telephone line along the length of the railway, which continued in use for the first ten years of

preservation, and an insulator from the line, recovered from a surviving telegraph pole between Heniarth and Llanfair Caereinion, formed the basis of a small display about communications. From May to October, there was a temporary exhibition about the Alishan Forest Railway.

A major re-arrangement of the Cloverlands Model Car Museum continued throughout the year, together with the development of a permanent display about the history of Formula 1, enhanced by significant new acquisitions.

Welshpool display shed was opened regularly on operating days allowing visitors to view No. 6 *Monarch*, No. 12 *Joan*, and other out of service locomotives, alongside our heritage rolling stock.

Environment

We have put in place new arrangements for handling waste to comply with new regulations. We are recycling wherever possible, even to the point of collecting and re-cycling “sawdust” arising from the drilling of plastic sleepers to take track fixings.

Ash dieback continues to make its presence felt with growing numbers of lineside trees showing signs of the disease. It is likely that in due course we will need to fell the affected trees and develop a plan to replant.

Severe storms saw the railway suffer fallen trees, not previously identified as being at risk, both within our estate and from adjoining property. Weather was also a cause of our first landslip for many years, near Hanged Mans Tree on Golfa Bank. Here, a section of cutting slope became saturated and material slumped onto the line, thankfully without damage to the track bed itself, or disrupting services.

Fundraising

The railway continued to benefit from generous donors and legacies, with a spectacular finish, a large grant being secured in principle in December.

Income during the year was £107,181 from donations including Gift Aid reclaimable, £58,819 from legacies, and £12,219 in grants. The appeal for the overhaul of locomotive No.7, and for improvements to our carriage fleet for premium services, met its target and closed during the year. The overhaul of No.7 will proceed as soon as Taiwanese diesel DL-34 is ready for regular traffic after modifications and crew training.

In December we launched an appeal for £150,000 to fund the heavy overhaul of locomotive No. 2 (GWR 823) *The Countess*. The official launch was on 30 December, to coincide with the New Year ‘whistle-up’ to herald Rail 200, which will run throughout 2025 on the bicentenary of the opening of the Stockton & Darlington Railway. Various incentives were offered including one for those able to donate the symbolic sum of £823. By the launch day, the appeal was already at over a third of its target sum, thanks to an extraordinary gift from a generous supporter.

At the same time, the railway received news of approval in principle of a large grant application made for essential repairs to the structure of the industrial units that house Llanfair Connections, our linked car museum Cloverlands, and storage facilities. We applied in April, under Community Ownership Fund, but progress stopped when the general election was called. Then in November the new government announced that it would complete the round that was in progress when the election was called before closing the scheme. The grant was subject to contract negotiations which started after the year end. It must be spent by mid-December 2025 at latest.

W&L Sales

Catering sales increased 11% (£18,000) on 2023 but the tearoom remained loss-making. Portion control was improved, but increased staffing levels resulted in a 25% increase in staff costs. From November, opening days were reduced to concentrate on busier days, with a range of products that we can serve profitably. Our in-house catering team took over afternoon tea train catering. Feedback on this and our other on-train catering offerings was very good. Thanks are due to both paid and volunteer staff who make these experiences such a success.

Shop sales were 3% lower, attributable to fewer 'blockbuster' new books and our visitors watching their pennies in tougher financial times. Thanks to better gross margins, however, the shop's contribution to revenue was £1,000 higher. The service given by our enthusiastic and dedicated volunteers to our visitors is much appreciated, as demonstrated by the many cheerful passengers chatting to staff.

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 322 new members in 2024 (2023 376), another good year. Total membership at year end was 2,133, a net increase of 29. Dick Johnson stood down as one of the membership team at the end of 2024. Dick's association with the railway goes back over sixty years, to the very beginning of its preservation. He has served the railway capably in many roles and we thank him for his care and thoughtfulness in looking after members.

Trustees and management are grappling with the challenge of recruiting sufficient volunteers to ensure the sustainability of the current operating model. The number of volunteers remained largely stable and more local people are getting involved, but the age profile is high. Over the next year we hope to have a volunteer team member on duty every operating day to try to encourage more volunteers.

Staff

In 2024 the company employed seven full time and one part time staff. Around 220 part time volunteers contributed about 14 full-time equivalent staff and there were some seasonal staff in the tea-room.

Development of a comprehensive Staff Guide was transformed into a Code of Conduct and a suite of HR policies. These were posted on HOPS – the company’s document management system. A dedicated safeguarding team was set up with David Plume being appointed as safeguarding officer and Anne-Marie Wright as safeguarding trustee.

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

Catherine Smith joined us as part-time community engagement officer in May with a remit for increasing our volunteer recruitment and engagement with the local community, alongside working with the existing volunteer liaison and safeguarding team to review our offering for existing volunteers.

Kevin Heywood left in September and his role as operations and infrastructure manager has been restructured. Duty managers have taken on operational oversight and the new post of infrastructure and buildings manager has been created. This was advertised in late 2024 and filled in early 2025.

Sarah Perry retired in December 2024 and her role of marketing and administration assistant has been converted into a full-time position and was to be advertised in early 2025. Ruth Davies was due to complete her level 3 apprenticeship in business administration with us at the end of January 2025. We thank her for her hard work over the past three years.

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

Marketing

We continued with a range of marketing activities to attract different audiences. Our traditional print leaflets were distributed throughout mid and north Wales and Shropshire, with additional inclusion in ‘bedroom browser’ packs at accommodation providers. Press releases and adverts in local and enthusiast print publications were placed at core times throughout the year. Banners, posters and new roadside signage helped highlight the railway’s events and tearoom to local and passing traffic and we continue to take part in a range of joint marketing and discount card schemes as part of the ‘Great Little Trains of Wales’.

We ran several targeted online advertising campaigns on a range of social media platforms to highlight our events and catering experiences to a broader family audience. The website was reviewed to improve browsing speeds, navigation and integration, especially on mobile and tablet devices.

We were represented at a variety of shows and events, including the British Tourism and Travel Show, Association of 16mm. Narrow Gauge Modellers Show, Shrewsbury Flower Show and, for the first time, Oswestry and Berriew shows. Targeted advertising helped group bookings to return to pre-2019 levels. We continued to collect and analyse visitor feedback to identify areas of improvement, with all tickets booked online being sent a feedback form. A Visit Wales 'secret shopper' visit saw us retain our 'Visitor Attraction Quality Assurance Standard' with an improved score, and we were awarded a Trip Advisor 'Traveller's Choice Award' for the fourth year in a row. We were pleased to win 'Best Third Sector' organisation in the Mid Wales Tourism Awards 2024-5

Financial review

Results and financial position

2024 was a good year financially. The dip in traffic income of £11,000 was due to quieter than usual Santa trains but coal costs were also £11,000 lower. Despite straitened times, Gift Aid was £23,000 (2023 £29,000). Learning from 2023 experience meant that spending on special events was £8,000 lower, while still delivering a varied programme for our different audiences. Part of this saving was reallocated to marketing, particularly social media. We also reprinted the Discovery booklets at our own expense, the initial batch being grant-funded, since these are so popular with younger visitors. We spent funds to make our IT hardware more resilient and to make sure we benefit from HOPS as a way to make better use of volunteer time.

Progress in returning catering to profitability was slower than expected and losses, mainly on prepared food, were £28,000. This is being addressed for 2025.

Total income (consolidated statement of financial activities) was £980,000. As well as traffic, retail and catering income, this included £12,000 of grants supporting our community engagement officer, £7,000 in donations to the appeal for the overhaul of No. 7 and £66,000 to start the No. 2 appeal. We received £59,000 more from the bequests of Charles Fisher, Roy Laverick and Roger Pattie, and further auction proceeds from the balance of Peter Hempson's model collection. The railway is most grateful to the many supporters who have remembered us in their wills. Generous interest rates (5%) on our deposits with CCLA also helped generate £58,000 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 relates to building inspections in preparation for capital projects and the civil engineering winter trackwork. The external track costs in 2024 were modest, as the larger spend items will come in February 2025 with the work at Golfa.

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 addition of the community engagement officer. W&L Sales includes our catering manager and the casual staff engaged for the tearoom and mobile catering unit, when open. Electricity usage is under investigation as it has increased across the Llanfair site, notably in the workshop and catering, and 2024 contract prices did not reduce as much as we had hoped.

The CCLA investments (Notes 7 and 13) delivered £8,000 in dividends and a valuation gain of £12,000 (2023 £18,000 gain). £30,000 has been added to cover the board's updated estimate of the buffer needed against unforeseen adverse events. The 2020/2021 pandemic showed the benefit of such a reserve.

Our consolidated statement of financial activities follows the format required of all charities. 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. Donations and legacies received in 2024 contributed £166,000 that can be applied to the priorities within the business plan and as the match funding usually required for grants.

Capital expenditure in 2024 was £89,000. In heritage fixed assets this was work on No. 8 and the lining of No. 10. In other fixed assets, it was work on creating new offices in the industrial units, DL-34 modifications, the mess coach and ex-RNAD van 213, the new air compressor and catering equipment. £212,000 of spend for 2025 has already been committed.

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.2, No.7, No. 8, other diesels and viaduct protection are planned to be used in the coming years. The 2020 Appeal, Connections displays and carriage improvements are awaiting approval of suitable projects. Funds for the restoration of locomotives No. 14, No. 6 *Monarch*, the Wickham trolley and heritage wagons are for longer term projects.

Designated funds

Designated funds include £212,000 contractually committed for future capital expenditure and a 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 £1,070,000. 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 £1,380,000 were required at 31st December 2024; whilst actual investments, cash and working capital available stood at £1,490,000.

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

2024 continued in presenting the company with the challenge of attracting sufficient volunteers and in consequence a further reduced timetable was instigated. This resulted in a further increase in income from a reduced

number of trains. This operating model has therefore been carried over largely unchanged into 2025.

The current business plan was published in May 2023 and is serving us well. It will be updated in 2026. The major strategies that had been agreed have been re-examined through an external advisor. In December we were awarded a substantial grant to refurbish the Colinette building to secure it for future use.

An external safety audit will be completed early in 2025, and the Safety Management Team will add impetus to addressing the audit recommendations.

The commercial challenges of 2024 will continue throughout 2025 but should be mitigated by our progression to the 'new normal' operating environment. Planning for 2025 has concentrated on ensuring that reduced resources can cope with the timetable; our high end offering and events have been further prioritised to increase spend per visitor. The range of events which have been trialled over the past few years has been reviewed to focus on those which offer the best return and attract our core visitors. We will consolidate the range of offerings that were available in 2024, including in on-train catering, as we move to bring catering back into profit. The lessons learned from the last four years and considerable visitor and volunteer feedback will be built on in 2025 as we push towards increased operational income and contributions to the charity.

During 2025 we will continue to build on networking and lobbying through connections with HRA, GLTW and expansion of our liaison railways and organisations. The efforts to preserve, and even 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 2025 priorities.

There will be an increased focus on volunteer recruitment and retention as this has now become critical to the future of the company. This will involve a more targeted initiative to campaign to fill volunteer posts and ensure an efficient training process.

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
22 March 2025

**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 2024.

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

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.

Signed: 

Dated: 25 April 2025

John Fletcher BA (Hons) FCA

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

Consolidated statement of financial activities
for the year ended 31 December 2024
(incorporating the income and expenditure account)

		Unrestricted funds	Restricted funds	Total 2024	Total 2023
	Note	£	£	£	£
Income from:					
<i>Voluntary income</i>					
Donations, legacies, and grants	2	123,603	78,102	201,705	204,887
<i>Charitable activities</i>					
Railway operation and preservation	3	434,302	-	434,302	445,680
Membership subscriptions		26,787	-	26,787	23,367
<i>Other trading activities</i>					
Commercial trading operations	4	258,899	-	258,899	242,544
<i>Investment income</i>	7	47,831	10,504	58,335	51,810
Total income		891,422	88,606	980,028	968,288
Expenditure on:					
<i>Charitable activities</i>					
Railway operation and preservation – working	3	582,122	2,252	584,374	564,662
Railway operation and preservation – projects	3	227,085	2,606	229,691	233,023
Membership and governance expenses	5	20,998	-	20,998	22,375
<i>Other trading activities</i>					
Commercial trading operations	4	260,645	-	260,645	256,448
Total expenditure		1,090,850	4,858	1,095,708	1,076,508
Net gain/(loss) on investments	13	12,000	-	12,000	18,000
Net income/(expenditure) for the year		(187,428)	83,748	(103,680)	(90,220)
Gross transfers between funds	20	-	-	-	-
Net movement in funds for the year		(187,428)	83,748	(103,680)	(90,220)
<i>Reconciliation of funds:</i>					
Total funds brought forward		2,846,798	252,615	3,099,413	3,189,633
Total funds carried forward		2,659,370	336,363	2,995,733	3,099,413

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 £(103,680), (2023 £90,220 loss).

Consolidated and charity balance sheets

as at 31 December 2024

Company Registration No.00646238	Group	Charity 2024	2023	2024	2023
	Note	£	£	£	£
Fixed assets					
Heritage fixed assets	11	802,949	874,253	802,949	874,253
Other tangible fixed assets	12	647,007	672,497	647,007	672,497
Investments	13	316,000	274,000	346,000	304,000
		1,765,956	1,820,750	1,795,956	1,850,750
Current assets					
Stocks	14	112,400	101,100	87,500	73,000
Debtors	15	104,587	107,680	120,950	132,145
COIF deposit account		920,218	1,033,844	920,218	1,033,844
Bank accounts and cash balances	16	207,502	177,122	201,689	164,661
		1,344,707	1,419,746	1,330,357	1,403,650
Creditors: amounts falling due within one year					
Trade creditors		44,451	49,884	44,451	49,884
Other creditors including tax and social security	17	3,251	4,696	3,251	4,696
Accruals and deferred income	18	31,892	53,642	31,892	53,642
		79,594	108,222	79,594	108,222
Net current assets		1,265,113	1,311,524	1,250,763	1,295,428
Creditors: amounts falling due after more than one year	18	35,336	32,861	35,336	32,861
Total net assets		2,995,733	3,099,413	3,011,383	3,113,317
The funds of the charity:					
Unrestricted funds		2,391,798	2,793,363	2,407,448	2,807,267
Designated funds		267,572	53,435	267,572	53,435
Total unrestricted funds	19	2,659,370	2,846,798	2,675,020	2,860,702
Restricted income funds	20	336,363	252,615	336,363	252,615
Total funding provided		2,995,733	3,099,413	3,011,383	3,113,317

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

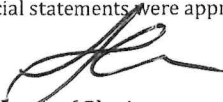
The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

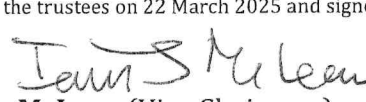
No audit is required in accordance with section 144 of the Charities Act 2011.

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting. 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 22 March 2025 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 2024

		2024	2023
	Note	£	£
Net cash provided by/(used in) operating activities	23		27,683
Cash flows from investing activities:			
Dividends from investments	23	7,799	7,783
Acquisition of heritage and other tangible fixed assets	11 12	(88,728)	(184,400)
Disposal of tangible fixed assets		-	-
(Acquisition) / divestment of investment assets	13	(30,000)	-
Net cash provided by / (used in) investing activities			(110,929)
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		(83,246)
Cash and cash equivalents at beginning of year	22		1,210,966
Cash and cash equivalents at end of year	22		1,127,720

Notes to the accounts

31 December 2024

1. Accounting policies

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	2024	2023
	£	£	£	£
Gift aided donations	17,317	74,848	92,165	79,496
Other donations	11,762	3,254	15,016	10,200
Legacies	58,819	-	58,819	78,729
Gift Aid on fares	23,486	-	23,486	28,615
Grants – Powys Council	-	-	-	7,328
Grants – Welsh Govt	12,219	-	12,219	519
Total 2024	123,603	78,102	201,705	204,887
Total 2023	118,564	86,323	204,887	

3. Railway operation and preservation

Turnover	Note	2024		2023
		£	£	£
Fares			427,087	
Keyse Cottage receipts		3,843		3,824
Solar panels and EV charging income		1,605		4,420
Sale of surplus materials and parking		1,767		1,805
Other operating income			7,215	
Income from railway operation and preservation			434,302	
Working expenses				
Fuel		51,468		62,736
Repairs and maintenance:				
Mechanical engineering		45,080		51,606
Civil engineering		43,783		42,675
Costs for special trains & events		37,734		45,655
Loco hire fees		11,346		15,169
Keyse Cottage running expenses		2,219		2,035
Administration and management costs	6	392,744		344,786
Total working expenses of railway operation and preservation			584,374	
Major project expenditure				
Mechanical engineering		-		8,500
Civil engineering		44,169		22,639
Depreciation	11 12	185,522		201,884
(Gain)/loss on disposal		-		-
Total major project spend on railway operation and preservation			229,691	
Net cost of railway operation and preservation			379,763	

4. Subsidiary's trading activities

	Note	2024		2023
		£	£	£
Income – Shops		68,800		71,042
Income – Catering		190,099		171,502
Income – Consultancy		-		-
Total trading income			258,899	
Less: Shops cost of sales		35,812		38,784
Gross margin - shops			47.9%	
Less: Catering cost of sales		90,944		98,160
Less: Catering staff costs	6	109,859		87,617
Net margin after staff - catering			(5.6)%	
Less: Administration and management costs	6	24,030		31,887
Total trading expenditure			260,645	
Net (loss)/profit for the year			(1,746)	
Subsidiary's balance sheet at year-end			2024	2023
Current assets -other			30,713	40,561
Current (liabilities) – other			-	-
Current assets / (liabilities) – inter-company balance with parent company			(16,363)	(24,465)
Net assets			14,350	16,096

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

5. Membership and governance expenses

	Note	£	£
		2024	2023
The Llanfair Railway Journal		11,904	12,982
Membership expenses	6	4,935	5,659
Governance costs	6	4,159	3,734
		20,998	22,375

6. Administration and management costs

	Railway operation & preservation	Commercial trading W&L Sales Ltd	Membership and governance	Total 2024	Total 2023
	£	£	£	£	£
Establishment					
Rent, rates, water and insurance	40,385	-	-	40,385	41,804
Electricity and heating	39,807	-	-	39,807	25,320
Equipment rental and maintenance	7,753	-	-	7,753	5,340
Cleaning and hygiene supplies	13,562	-	-	13,562	13,634
Rent charged to trading	(20,030)	20,030	-	-	-
	81,477	20,030	-	101,507	86,098
Selling					
Advertising and publicity	32,648	-	-	32,648	26,283
Administrative					
Staff costs (<i>Note 9</i>)	199,828	109,859	-	309,687	287,130
Travelling	1,879	-	-	1,879	1,422
External training	4,647	-	-	4,647	3,130
Telephone and radio	4,599	-	-	4,599	4,671
Postage, stationery, and IT costs	20,699	-	-	20,699	6,872
Independent audit/examination fees	-	-	1,500	1,500	1,500
Accountancy fees	19,345	-	-	19,345	19,265
General expenses	8,835	-	7,594	16,429	13,130
Admin recharge to trading	(4,000)	4,000	-	-	-
	255,832	113,859	9,094	378,785	337,120
Financial					
Bank charges and booking processing costs	22,787	-	-	22,787	24,182
2024 Total	392,744	133,889	9,094	535,727	473,683
2023	344,786	119,504	9,393	473,683	

7. Investment income

	2024	2023
	£	£
CCLA Charity Investment Funds:		
– Investment fund shares	7,799	7,783
CCLA Deposit Fund	50,174	44,027
– Interest		
Interest on tax	362	-
	58,335	51,810
Of which: restricted	10,504	7,404
unrestricted	47,831	44,406

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

	2024	2023
	£	£
<i>(a) Staff costs during the period were:</i>		
Wages and salaries	284,017	261,791
Social security costs	14,136	14,411
Other pension costs	11,534	10,928
	309,687	287,130

No member of staff received emoluments in excess of £60,000 (2023: Nil). Key management received emoluments of £47,500 (2023 £48,710). In addition to its paid staff, the charity benefits from the substantial efforts of over 220 working volunteers.

<i>(b) Average number of persons employed</i>	Number 2024	Number 2023
Charity (full time equivalent)	6	6
Subsidiary (full time equivalent)	5	4
	11	10

The group employed 26 (2023 23) 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 £217 as reimbursement of travel expenses (2023: £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. Trustees, as well as being volunteers, are also among the many financial donors to the railway.

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 2023	596,266	1,501,979	12,507	2,110,752
Additions	-	4,284	-	4,284
(Disposals)	-	-	-	-
At 31 December 2024	596,266	1,506,263	12,507	2,115,036
Depreciation				
At 31 December 2023	439,463	784,529	12,507	1,236,499
Charges for the period	13,661	61,927	-	75,588
(Disposals)	-	-	-	-
At 31 December 2024	453,124	846,456	12,507	1,312,087
Net book amount				
31 December 2024	143,142	659,807	NIL	802,949
31 December 2023	156,803	717,450	NIL	874,253

There was no capital expenditure contracted for at the period end (2023: Nil).

Five-year summary of heritage fixed asset transactions:

Year Year	Purchases £	Major items
2020	190,183	No. 10 <i>Sir Drefaldwyn</i>
2021	144,619	No. 1 <i>The Earl</i> No. 10 <i>Sir Drefaldwyn</i> No. 1 <i>The Earl</i>
2022	77,342	No. 10 <i>Sir Drefaldwyn</i> Sierra Leone carriage 1066
2023	101,878	Bowater wagons 610 and 631 Sierra Leone carriage 1066
2024	4,284	No. 10 <i>Sir Drefaldwyn</i> <i>Dougal</i>

12. Other tangible fixed assets: group and charity

Cost	Freehold land, site works, buildings & permanent way	Locomotives & rolling stock	Other plant & equipment
	£	£	£
At 31 December 2023	878,624	501,960	411,644
Additions	4,710	59,968	19,766
(Disposals)	-	(82,639)	(2,167)
At 31 December 2024	883,334	479,289	429,243

Depreciation

At 31 December 2023	501,993	352,683	265,055
Charge for the period	13,194	46,873	49,867
(Disposals)	-	(82,639)	(2,167)
At 31 December 2024	515,187	316,917	312,755

Net book amount

31 December 2024	368,147	162,372	116,488
31 December 2023	376,631	149,277	146,589

There was £212,000 of capital expenditure contracted for at the period end (2023: £24,000).

13. Investments

COIF charity funds

	Number	Group		Charity
		2024	2023	2024
		£	£	£
Investment Fund shares				
At 1 January at market value	14,119	274,000	256,000	274,000
Purchases	1,499	30,000	-	30,000
Gain/(loss) on investment from change in value		12,000	18,000	12,000
At 31 December at market value	15,618	316,000	274,000	316,000
Shares in subsidiary				
At 31 December at cost	30,000			30,000
		316,000	274,000	346,000
Historic cost at 31 December		177,000	147,000	207,000

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 £14,350 (2023: £16,096). Further details on W&L Sales Ltd are shown in Note 4.

14. Stocks

	Group		Charity
	2024 £	2023 £	2024 £
Stores	87,500	73,000	87,500
Goods for resale	24,900	28,100	-
	112,400	101,100	87,500

15. Debtors

	Group		Charity
	2024 £	2023 £	2024 £
Trade debtors	19,785	17,440	19,785
Prepayments and accrued income	32,300	42,725	32,300
VAT	11,298	12,726	11,298
Gift Aid recoverable	41,204	34,789	41,204
Amount due from subsidiary company	-	-	16,363
	104,587	107,680	120,950

16. Bank overdraft

The group has overdraft facilities of £Nil (2023 - £Nil).

17. Other creditors including tax and social security

	Group		Charity
	2024 £	2023 £	2024 £
PAYE	3,251	4,696	3,251
	3,251	4,696	3,251

18. Accruals and deferred income

	Group		Charity
	2024 £	2023 £	2024 £
Subscriptions in advance	55,428	50,603	55,428
Less: falling due after more than one year	(35,336)	(32,861)	(35,366)
	20,092	17,742	20,092
Accruals and deferred income	11,800	35,900	11,800
	31,892	53,642	31,892

19. Unrestricted funds

	Balances 31 Dec 2023 £	Income £	(Expenditure) £	Transfers/ revaluation £	Balances 31 Dec 2024 £
<i>Free reserves</i>	1,246,613	889,285	(994,056)	(200,000)	941,842
<i>Reserves used by Net Fixed Assets</i>	1,546,750		(96,794)		1,449,956
<i>Total general funds</i>	<i>2,793,363</i>	<i>889,285</i>	<i>(1,090,850)</i>	<i>(200,000)</i>	<i>2,391,798</i>
<i>Designated funds – future capital projects</i>					
Museum/Interpretation Centre	53,435	2,137	-	-	55,572
Capital commitments	-	-	-	212,000	212,000
<i>Total designated funds</i>	<i>53,435</i>	<i>2,137</i>	<i>-</i>	<i>212,000</i>	<i>267,572</i>
<i>Total unrestricted funds</i>	<i>2,846,798</i>	<i>891,422</i>	<i>(1,090,850)</i>	<i>12,000</i>	<i>2,659,370</i>

Many donations and legacies fund the purchase of fixed assets, which are then depreciated over future years. At 31 December 2024, £1,223,721 (2023: £1,250,151) 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 2023 £	Income £	(Expenditure) £	Transfer from/(to) unrestricted funds £	Balances 31 Dec 2024 £
Restoration of No.6 <i>Monarch</i>	7,289	292	-	-	7,581
Restoration of No.14	29,333	1,303	-	-	30,636
Restoration of No. 8 <i>Dougal</i>	2,442	878	(2,606)	-	714
Restoration of No. 2 <i>The Countess</i>	-	65,858	-	-	65,858
Zillertal carriages maintenance	2,252	-	(2,252)	-	-
Carriage improvement fund	38,210	4,221	-	-	42,431
Heritage wagon fund	4,269	171	-	-	4,440
Overhaul of No. 7 <i>Chattenden</i>	88,324	10,809	-	-	99,133
Diesel maintenance	5,838	233	-	-	6,071
Wickham Trolley	-	547	-	-	547
Viaduct and bridges protection	23,435	937	-	-	24,372
Connections displays	-	1,308	-	-	1,308
2020 appeal	51,223	2,049	-	-	53,272
	252,615	88,606	(4,858)	-	336,363

21. Analysis of group net assets by fund

	Unrestricted funds £	Restricted funds £	Total 31 Dec 2024 £
Tangible heritage and other fixed assets	1,449,956	-	1,449,956
Investments	272,796	43,204	316,000
Net current assets	971,954	293,159	1,265,113
Long term liabilities	(35,336)	-	(35,336)
	2,659,370	336,363	2,995,733

22. Analysis of changes in net funds

	At 31 Dec 2023 £	Cash flows £	At 31 Dec 2024 £
Bank and cash balances	177,122	30,380	207,502
COIF Deposit account	1,033,844	(113,626)	920,218
	1,210,966	(83,246)	1,127,720

23. Net cashflow from operating activities

	2024 £	2023 £
Net income/(expenditure) per Statement of Financial Activities	(103,680)	(90,220)
Adjust for non-cash items:		
Depreciation	185,522	201,884
Net (gain)/loss on investments	(12,000)	(18,000)
Adjust for working capital changes:		
(Increase)/decrease in stocks	(11,300)	3,000
(Increase)/decrease in debtors	3,093	71,793
(Decrease)/increase in creditors	(26,153)	41,009
Adjust for dividends received: (shown separately in Cashflow)	(7,799)	(7,783)
	27,683	201,683

24. Statement of financial activities:

Prior year comparisons by fund type

	Unrestricted funds £	Restricted funds £	Total 2023 £
Income from:			
<i>Voluntary income</i>			
Legacies and donations	118,564	86,323	204,887
<i>Charitable activities</i>			
Railway operation and preservation	445,680	-	445,680
Membership subscriptions	23,367	-	23,367
<i>Other trading activities</i>			
Commercial trading operations	242,544	-	242,544
<i>Investment income</i>	44,406	7,404	51,810
Total income	874,561	93,727	968,288
Expenditure on:			
<i>Raising funds</i>	-	-	-
<i>Charitable activities</i>			
Railway operation and preservation – working	563,062	1,600	564,662
Railway operation and preservation – projects	200,298	32,725	233,023
Membership and governance expenses	22,375	-	22,375
<i>Other trading activities</i>			
Commercial trading operations	256,448	-	256,448
Total expenditure	1,042,183	34,325	1,076,508
Net gain/(loss) on investments	18,000	-	18,000
Net income/(expenditure) for the year	(149,622)	59,402	(90,220)

25. Management accounts summary financials by activity

	Railway operation and preservation £	W&L Sales -Retail & catering £	Appeals & investment income £	Membershi p and governance £	2024 £	2023 £
Income from daily operating activities	434,302	258,899	58,335	26,787	778,323	763,401
Gift Aid on fares	23,486	-	-	-	23,486	28,615
Donations – earmarked to running cost items	-	-	-	-	-	3,750
Grants - for running costs: local engagement /audience research	12,219	-	-	-	12,219	7,847
Daily operating (costs)	(584,374)	(260,645)	-	(20,998)	(866,017)	(843,485)
Net income: Daily operations	(114,367)	(1,746)	58,335	5,789	(51,989)	(39,872)
Long term income						
Donations, Legacies, Grants (excluding items above to cover daily operating costs)			166,000		166,000	164,675
(Loss)/Gains on investments			12,000		12,000	18,000
Long term project expenditure						
Major project (spend)	(44,169)	-		-	(44,169)	(31,139)
(Depreciation)	(185,522)	-		-	(185,522)	(201,884)
Net income/ (expenditure) by activity	(344,058)	(1,746)	236,335	5,789	(103,680)	(90,220)

