Company registration number 07109869 (England and Wales)

Charity registration number 1142608 (England and Wales)

THE RAILWAY COMMUNITY HOMES

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 DECEMBER 2025

THE RAILWAY COMMUNITY HOMES

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr P C Moakes Mrs B J Davenport Mr S J Brook Mr W J Collins Mr D R Crome Mr C Donovan Mr L E Farley Mr Graham Isom Mr C C Mills Mr P E O'Hare Ms R Stoneham Miss M O'Neill	 (Appointed 1 February 2026)
Secretary	Brian Conyard (Resigned 31 July 2026)	
Country of incorporation	United Kingdom (England and Wales)	07109869
Charity registration	England and Wales	1142608
Registered office	Bridge House 2 Church Street Dawlish Devon United Kingdom EX7 9AU	
Auditor	bk plus Audit Limited Azzurri House Walsall Road Aldridge Walsall England WS9 0RB	

THE RAILWAY COMMUNITY HOMES

CONTENTS

	Page
Trustees report	1 - 6
Independent auditor's report	7 - 8
Statement of financial activities	9
Summary income and expenditure account	10
Balance sheet	11
Notes to the financial statements	12 - 22

THE RAILWAY COMMUNITY HOMES

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 DECEMBER 2025

The Trustees present their annual report and financial statements for the year ended 30 December 2025.

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

Objectives and activities

The Charity was registered on 21 December 2009 and the funds of its predecessor Charity (Charity registration number 207528) were transferred into it. The Charity is a charitable company limited by guarantee and governed in accordance with the memorandum and articles of association.

The Object of the Charity is to provide convalescent homes for relieving, in cases of need, persons of the following classes who are invalided or are convalescent in the following order of priority:

(a) Persons who are or who have been employees of current or former railway undertakings including British Railways Board end including any publicly owned railway undertakings;

(b) Persons who are employees of any nationalised transport undertakings in the United Kingdom and nationalise undertakings auxiliary or subsidiary thereof.

(c) Persons who have been employees of any nationalised transport undertakings in the United Kingdom and any nationalised undertakings auxiliary or subsidiary thereto;

(d) Persons who are or have been employees of any public transport undertakings in the Republic of Ireland and any nationalised undertakings auxiliary or subsidiary thereto which operates or have operated in conjunction with any nationalised transport undertakings in the United Kingdom and any nationalised undertakings auxiliary or subsidiary thereto;

(e) Persons who are the spouse or other dependants of persons of the above mentioned classes.

The Charity operated a convalescent centre in Dawlish in Devon which has provided the care described above. The facility was closed in March 2020 due to Covid19 and subsequently the decision was made to permanently close the facility on 31 October 2020. The Trustees have been liaising with the Charity Commissioners and the Charity's solicitors regarding the alteration of the Charity's objectives and alternative income streams. and a new scheme to govern the Charity came into effect on and from 2nd June 2025. Following the closure of the Charity's operational care facility, the Charity continues to be a going concern due to the income streams receivable and the level of assets held.

The Charity has previously measured its success based on guest numbers year on year. Currently the most significant income source for the Charity is from Investments and rent.

The Trustees have always ensured that the activities undertaken are in line with the charitable objectives and policies. They ore now liaising with the Charity Commissioners to ensure the charitable objectives can continue to be fulfilled.

Changes to Objects

A Special Resolution was passed by the Board on 12th September 2023 to change the Objects of the Charity. However, some minor amendments were subsequently made to the objects and a further draft scheme was prepared by the Charity Commission. This was agreed by the Board and became the subject of a further Special Resolution passed by the Board on 16th May 2025 which replaced that of 12th September 2023. The Charity Commission has now formally issued the new Scheme to take effect on and from 2nd June 2025. The Charity is now known as The Railway Community Homes.

The objects are now as follows:

For the relief of need of those beneficiaries by reason of age, ill-health, disability, poverty, financial hardship or other disadvantage including but not limited to by the provision of:

1 . Accommodation including but not limited to the provision of social housing in the form of almshouses and other independent living accommodation; and

2. Grants

The term "beneficiaries" above is defined as the following classes and in the following order of priority:

(a) persons who are or who have been employees of current or former nationalised or formerly nationalised railway undertakings; or

(b) persons who are employees of any nationalised or formerly nationalised transport undertakings in the United Kingdom and any nationalised undertakings auxiliary or subsidiary thereto; or

(c) persons who have been employees of any nationalised or formerly nationalised transport undertakings in the United Kingdom and any nationalised or formerly nationalised undertakings auxiliary or subsidiary thereto; or

(d) persons who are or have been employees of any public or formerly public transport undertakings in the Republic of Ireland and any public or formerly public undertakings auxiliary or subsidiary thereto which operate or have operated in conjunction with any nationalised or formerly nationalised transport undertakings in the United Kingdom or with any nationalised or formerly nationalised undertakings auxiliary or subsidiary thereto: or

(e) persons who are the spouse or other dependents of the above mentioned classes.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

When planning activities and development each year we have regard to both the Charity Commission's general guidance on public benefit and provision of our services for public benefit.

We have stated above our policies and main activities undertaken for the public benefit.

Achievements and performance

Significant activities and achievements against objectives

See previous section.

Financial review

The Board reports a net outflow of funds of £101,152 (2024 outflow £268,344) before gains on investments. The Charity reports a gain on net movement of funds for the year of £179,356 (2024 gain £336,469) after losses/gains on investments. A significant part of this is due to the movements on investment value during the year.

Reserves policy

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

At the 30 December 2025 the Charity held funds totalling £9,681,165 (2024 £10,071,809) of which the Charity had unrestricted funds of £39,047 (2024 £30,458), Permanent Endowment Funds of £4,642,118 (2024 £10,041,351) and restricted funds of £5,000,000 (2024 £5,000,000).

The Permanent Endowment Funds represent the value of the premises from which the Charity operates and the investment flats situated in the grounds. Additional funds were moved to the permanent endowment in the prior year in accordance with the Charity Commission instructions.

The Restricted Fund represents the amount that the Charity Commission has specified can be used from the permanent endowment for the independent living project to be undertaken by the Charity.

Structure, governance and management

The Charity is a company limited by guarantee.

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

Mr P C Moakes
Mrs B J Davenport
Mr S J Brook
Mr W J Collins
Mr D R Crome
Mr C Donovan
Mr L E Farley
Mr Graham Isom
Mr C C Mills
Mr P E O'Hare
Ms R Stoneham
Miss M O'Neill (Appointed 1 February 2026)

Recruitment and appointment of trustees
Details of method of recruitment and appointment of trustees.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The recruitment process for any newly appointed Trustee is to first meet with the Chairman and the remaining board members, followed by further meetings with the Trustees to explain the objectives and procedures. The new trustee will receive copies of the Charity's Governing document and is expected to be fully conversant with its aims and objectives. The Trustee will meet with the Chair prior to the first meeting to clarify any uncertainties,

The trustees have ultimate control over the Charity and its dormant subsidiary. A good support structure is in place within the Charity in the form of a business manager Annette Everett. There is a small team undertaking the general day to day running of the building and management of the business. The business manager and the staff have been in place for a number of years and have vast experience in their particular field of expertise. The staff live locally which also enables the Charity to provide employment in the local community.

The day to day care of the building and business management is undertaken by the business manager, who has been granted the power to make decisions which enable the building to remain in acceptable condition. The business manager attends board meetings and is therefore also involved in the strategic decisions made by the Trustees, the input of the business manager provides the Trustee with a grounded view of the financial position of the Charity and of the business on a daily basis.

The trustees set the staffing remuneration in line with the type of work being undertaken and with reference to the local economy. All staff receive a minimum of the living wage for their services . Staff undertaking the same job are paid equally

Other matters

Change of Charity Name

On 9th April 2026, the Charity changed its name from The Railway Convalescent Homes to The Railway Community Homes.

Auditor
In accordance with the company's articles, a resolution proposing that bk plus Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

Risk Management

The Trustees are aware of the major issues which the Charity faces and especially regarding the change in recent years following the cessation of the Dawlish centre and keep this under regular review.

Since 2026 a complete review of risk management applying to all the charity's activities has been carried out by the trustees with the assistance of the business manager. This has resulted in a complete set of policies covering all of our activities, together with the named trustee responsible for each policy, which will be implemented in September 2026.

Policies

The policies, to be implemented from September 2026, cover the following areas:

1. Anti-Social Behaviour
2. Bullying and Harassment
3. Campaign and Political Activity
4. Complaints
5. Conflict of Interest
6. Data Protection
7. Equality and Diversity
8. Financial Controls
9. Investment and Reserves
10. Health and Safety
11. Payment of Staff
12. Risk Management
13. Serious Incident Reporting
14. Social Media
15. Trustees' Expenses

Investment Portfolio

The Trust Deed authorises the Trustees to make and hold investments using the general funds of the Charity. Our investment managers are instructed to invest in a portfolio which will maximise total returns with a medium risk portfolio. The portfolio is specific to Charities and therefore is deemed to be socially, environmentally and ethically responsible in its investment policy. As at 30 December 2025 the Charity's balance sheet showed investments totalling £8,748,172 (2024: £9,180,947) that produced income of £306,829 (2024: £313,730). The result is deemed satisfactory by the Trustees.

The Charity owns the Waterside Apartments, which were originally part of the home in Dawlish. These are now classified as an investment property and provide rental income for the Charity.

Independent Living Project

Since the closure of Bridge House as a convalescent centre, it has been the trustees' aim to convert the building into Affordable homes which would be let to our beneficiaries to support our objectives.

The redevelopment of the building has been delayed for a number of years whilst the changes to the objectives have been agreed and published by the Charity Commission.

During this time the Independent Living Project design team have been completing the scheme to a stage where it could be submitted to the local authority in a formal pre-planning application. As finalisation of the design could not be made until after the new Charitable Objectives had been published in June 2025, the pre-planning application was finally submitted in late 2025.

Following the feedback from the local authority on the pre-planning application, and as a result of changes to national legislation, building standards and the requirements of the government's Future Homes proposals, it was clear that costs of the project were rising rapidly.

A detailed financial review followed, using independent cost consultants and surveyors and the resulting conclusion was that the cost of the redevelopment project in its current location and format was now beyond the means of the charity. The trustees reviewed the options for the Dawlish site and decided, at the board meeting of 1st July 2026, that the charity can only provide the proposed accommodation for the beneficiaries if we sell the current site, including Waterside Apartments, and develop a smaller scale Affordable housing scheme in an alternative location.

The charity will also investigate the expansion of the grant-giving element of our work to determine whether we can serve more beneficiaries by giving grants for housing improvement works, possibly by partnering with existing railway or transport organisations.

The Trustees report was approved by the Board of Trustees.

Mr S J Brook
Trustee

14 September 2026

THE RAILWAY COMMUNITY HOMES

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE RAILWAY COMMUNITY HOMES

Opinion

We have audited the financial statements of The Railway Community Homes (the 'Charity') for the year ended 30 December 2025 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 December 2025 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees responsibilities, the Trustees, who are also the directors of the Charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Use of our report

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

Christopher Hession C.A. (Senior Statutory Auditor)
For and on behalf of bk plus Audit Limited, Statutory Auditor
Chartered Certified Accountants
Azzurri House
Walsall Road
Aldridge
Walsall
WS9 0RB
England

14 September 2026

bk plus Audit Limited is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE RAILWAY COMMUNITY HOMES

STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
Income from:								
Donations and legacies	**3**	500	-	-	500	300	-	300
Charitable activities	**4**	1,433	-	-	1,433	1,815	-	1,815
Investments	**5**	306,829	-	-	306,829	313,730	-	313,730
Total income		308,762	-	-	308,762	315,845	-	315,845
Expenditure on:								
Charitable activities	**6**	409,904	-	-	409,904	584,189	-	584,189
Total expenditure		409,904	-	-	409,904	584,189	-	584,189
Net gains/(losses) on investments	**11**	280,498	-	(570,000)	(289,502)	604,813	-	604,813
Net income/(expenditure)		179,356	-	(570,000)	(390,644)	336,469	-	336,469
Transfers between funds		(170,767)	5,000,000	(4,829,233)	-	(7,724,638)	7,724,638	-
Net movement in funds	**8**	8,589	5,000,000	(5,399,233)	(390,644)	(7,388,169)	7,724,638	336,469
Reconciliation of funds:								
Fund balances at 31 December 2024		30,458	-	10,041,351	10,071,809	7,418,627	2,316,713	9,735,340
Fund balances at 30 December 2025		39,047	5,000,000	4,642,118	9,681,165	30,458	10,041,351	10,071,809

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

THE RAILWAY COMMUNITY HOMES

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 DECEMBER 2025

	All income funds	
	2025	**2024**
	£	**£**
Gross income	308,762	315,845
Gains on investments	280,498	604,813
Transfer from/(to) endowment funds	4,829,233	(7,724,638)
Total income in the reporting period	5,418,493	(6,803,980)
Total expenditure from income funds	409,904	584,189
Net income/(expenditure) for the year	5,008,589	(7,388,169)

THE RAILWAY COMMUNITY HOMES

BALANCE SHEET

AS AT 30 DECEMBER 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Tangible assets	**13**		662,726		682,291
Investment property	**14**		929,999		1,499,999
Investments	**15**		7,818,173		7,680,948
			9,410,898		9,863,238
Current assets					
Debtors	**16**	23,030		23,719	
Cash at bank and in hand		291,173		233,232	
		314,203		256,951	
Creditors: amounts falling due within one year	**17**	(43,936)		(48,380)	
Net current assets			270,267		208,571
Total assets less current liabilities			9,681,165		10,071,809
The funds of the Charity					
Endowment funds	**19**		4,642,118		10,041,351
Restricted income funds	**20**		5,000,000		-
Unrestricted funds	**21**		39,047		30,458
			9,681,165		10,071,809

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 December 2025.

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

The financial statements were approved by the Trustees on 14 September 2026

Mr S J Brook
Trustee

Mr W J Collins
Trustee

1 Accounting policies

Charity information

The Railway Community Homes is a private company limited by guarantee incorporated in England and Wales. The registered office is Bridge House, 2 Church Street, Dawlish, Devon, EX7 9AU, United Kingdom.

1.1 Basis of preparation

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

The Charity has taken advantage of the provisions in the SORP for charities not to prepare a statement of cash flows.

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

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

1.2 Going concern

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

1.3 Charitable funds

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

Endowment funds are subject to specific conditions as issued by the Charity Commission.

1.4 Income

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

1.5 Expenditure

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

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

1.6 Tangible fixed assets

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

1 Accounting policies **(Continued)**

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

Freehold land and buildings	2% Straight line
Fixtures and fittings	25% reducing balance
Computers	33% reducing balance

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

1.7 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Fixed asset investments

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

1.9 Impairment of fixed assets

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

1.10 Cash and cash equivalents

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

1.11 Financial instruments

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

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

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

Basic financial assets

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

1 Accounting policies **(Continued)**

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.12 Employee benefits

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

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

1.13 Retirement benefits

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

2 Critical accounting estimates and judgements

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

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

Key sources of estimation uncertainty

Investment property valuation

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Investment properties are valued by the trustees at the year end. No formal valuation has been undertaken.

3 Income from donations and legacies

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Donations and gifts	500	300

4 Income from charitable activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Contributions	1,433	1,815

5 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Rental income	78,314	77,683
Other income	227,730	234,058
Interest receivable	785	1,989
	306,829	313,730

6 Expenditure on charitable activities

	Direct costs 2025 £	Direct costs 2024 £
Direct costs		
Staff costs	72,141	75,695
Depreciation and impairment	19,626	20,213
Laundry and cleaning	40	200
Household goods	160	283
Training	475	84
Expenses waterside	21,729	32,752
General repairs	163,019	67,926
Water rates	975	472
General rates	3,144	3,164
Electricity	1,976	2,425
Gas	6,678	6,555
Travelling	46	357
Postage and carriage	159	130
Other charitable expenditure	48,475	210,914
	338,643	421,170
Share of support and governance costs (see note 7)		
Support	71,261	163,019
	409,904	584,189
Analysis by fund		
Unrestricted funds	409,904	584,189

7 Support costs allocated to activities

	Basis of allocation	Direct costs 2025 £	Total 2024 £
Governance		71,261	163,019

Governance costs comprise:	2025 £	2024 £
Audit fees	8,190	7,800
Wages	60,782	151,132
Company secretary	1,754	2,681
Trustees expenses	484	1,291
Staff welfare	51	115
	71,261	163,019

8 Net movement in funds

	2025	2024
	£	£
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	8,190	7,800
Depreciation of owned tangible fixed assets	19,626	20,213

9 Trustees

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

10 Employees

The average monthly number of employees during the year was:

	2025	2024
	Number	Number
	4	4

Employment costs	2025	2024
	£	£
Wages and salaries	63,076	23,105
Social security costs	4,193	6,581
Other pension costs	4,872	46,009
	72,141	75,695

There were no employees whose annual remuneration was more than £60,000.

11 Gains and losses on investments

Gains/(losses) arising on:	Unrestricted funds 2025 £	Endowment funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
Revaluation of investments	280,498	-	280,498	604,813	-	604,813
Revaluation of investment properties	-	(570,000)	(570,000)	-	-	-
	280,498	(570,000)	(289,502)	604,813	-	604,813

12 Taxation

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

13 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Computers	Total
	£	£	£	£
Cost				
At 31 December 2024	897,888	12,742	8,252	918,882
At 30 December 2025	897,888	12,742	8,252	918,882
Depreciation and impairment				
At 31 December 2024	223,251	6,325	6,954	236,530
Depreciation charged in the year	17,958	1,604	64	19,626
At 30 December 2025	241,209	7,929	7,018	256,156
Carrying amount				
At 30 December 2025	656,679	4,813	1,234	662,726
At 30 December 2024	674,577	6,416	1,298	682,291

14 Investment property

	2025
	£
Fair value	
At 31 December 2024	1,499,999
Net gains or losses through fair value adjustments	(570,000)
At 30 December 2025	929,999

Investment property comprises Waterside Apartments. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 26 June 2026 by Independent Valuers Vickery Holman.

15 Fixed asset investments

	Listed investments £
Cost or valuation	
At 31 December 2024	7,680,948
Valuation changes	217,420
Disposals	(80,195)
At 30 December 2025	7,818,173
Carrying amount	
At 30 December 2025	7,818,173
At 30 December 2024	7,680,948

16 Debtors

Amounts falling due within one year:	**2025 £**	**2024 £**
Amounts owed by fellow group undertakings	-	2,829
Prepayments and accrued income	23,030	20,890
	23,030	23,719

17 Creditors: amounts falling due within one year

	2025 £	**2024 £**
Social security	3,397	3,853
Trade creditors	30,713	27,712
Accruals and deferred income	9,826	16,815
	43,936	48,380

18 Retirement benefit schemes

Defined contribution schemes	**2025 £**	**2024 £**
Charge to profit or loss in respect of defined contribution schemes	4,872	46,009

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

19 Endowment funds

Endowment funds represent assets which must be held permanently by the Charity. Income arising on the endowment funds can be used in accordance with the objects of the Charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	At 31 December 2024	Transfers	Gains and losses	At 30 December 2025
	£	£	£	£
Permanent endowments				
	10,041,351	-	-	10,041,351
Transfer to restricted fund	-	(5,000,000)	-	(5,000,000)
Transfer from unrestricted fund	-	170,767	-	170,767
Revaluation of investment property	-	-	(570,000)	(570,000)
	10,041,351	(4,829,233)	(570,000)	4,642,118

Previous year:	At 31 December 2023	Transfers	Gains and losses	At 30 December 2024
	£	£	£	£
Permanent endowments				
	2,316,713	-	-	2,316,713
Transfer from unrestricted fund	-	7,724,638	-	7,724,638
	2,316,713	7,724,638	-	10,041,351

20 Restricted funds

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

	At 31 December 2024	Transfers	At 30 December 2025
	£	£	£
Transfer from permanent endowment	-	5,000,000	5,000,000

21 Unrestricted funds

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

	At 31 December 2024	Incoming resources	Resources expended	Transfers	Gains and losses	At 30 December 2025
	£	£	£	£	£	£
General funds	30,458	308,762	(409,904)	(170,767)	280,498	39,047

Previous year:	At 31 December 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 30 December 2024
	£	£	£	£	£	£
General funds	7,418,627	315,845	(584,261)	(7,724,638)	604,813	30,386
General funds	-	-	72	-	-	72
	7,418,627	315,845	(584,189)	(7,724,638)	604,813	30,458

22 Analysis of net assets between funds

	Unrestricted funds 2025	Restricted funds 2025	Endowment funds 2025	Total 2025
	£	£	£	£
At 30 December 2025:				
Tangible assets	-	-	662,726	662,726
Investment properties	-	-	929,999	929,999
Investments	-	5,000,000	2,818,173	7,818,173
Current assets/(liabilities)	39,047	-	231,220	270,267
	39,047	5,000,000	4,642,118	9,681,165

	Unrestricted funds 2024	Restricted funds 2024	Endowment funds 2024	Total 2024
	£	£	£	£
At 30 December 2024:				
Tangible assets	-	-	682,291	682,291
Investment properties	-	-	1,499,999	1,499,999
Investments	-	-	7,680,948	7,680,948
Current assets/(liabilities)	30,458	-	178,113	208,571
	30,458	-	10,041,351	10,071,809

23 Events after the reporting date

On 9th April 2026, the Charity changed its name from The Railway Convalescent Homes to The Railway Community Homes.

On 26th June 2026 a property valuation was issued, relating to both the Investment Property "Waterside Apartments" and the trading property "Bridge House". An adjustment has been made in the financial statements relating to the investment property in accordance with accounting polices. It should be be noted that the value of Bridge house in the accounts is £656,679, the valuation issued is £990,000.

On 1st July 2026 the trustees reviewed the options for the Dawlish site and decided that the charity can only provide the proposed accommodation for the beneficiaries if they sell the current site, including Waterside Apartments, and develop a smaller scale Affordable housing scheme in an alternative location.

The charity will also investigate the expansion of the grant-giving element of our work to determine whether we can serve more beneficiaries by giving grants for housing improvement works, possibly by partnering with existing railway or transport organisations. This is fully documented within the trustees report.

24 Related party transactions

There were no disclosable related party transactions during the year (2024 - none).