

Charity registration number 280918 (England and Wales)

Company registration number 1068690

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

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THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

Objectives and activities

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

Public benefit

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

Volunteers

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

Achievements and performance

Significant activities and achievements against objectives

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

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

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

Fundraising practices

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

Financial review

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

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

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2024

Going concern

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

Reserves policy

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

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

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

This level of reserves has been maintained throughout the year.

Principal funding sources

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

Investment policy

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

Major risks

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

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

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

Plans for future periods

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2024

Structure, governance and management

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

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

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

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

Recruitment and appointment of trustees

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

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

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

FOR THE YEAR ENDED 31 DECEMBER 2024

Organisational structure

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

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

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

Other matters

COMPANY SUSTAINABILITY STATEMENT

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

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

Disclosure of information to auditor

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

Statement of trustees' responsibilities

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

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

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

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

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

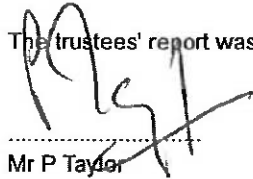
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Auditor

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

The trustees' report was approved by the Trustees.



Mr P Taylor

Date: 19 August 2025

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

Responsibilities of trustees

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

Our approach was as follows:

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

To address the risk of fraud through management override we:

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

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

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

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

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

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

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

Use of our report

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



Robert MacDonald (Senior Statutory Auditor)

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

Chartered Accountants

33 The Clarendon Centre

Salisbury Business Park

Dairy Meadow Lane

Salisbury

Wiltshire

SP1 2TJ

23 August 2025

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

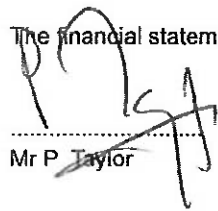
BALANCE SHEET

AS AT 31 DECEMBER 2024

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

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

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


Mr P. Taylor

Company registration number 1068690 (England and Wales)

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

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

1.1 Accounting convention

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

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

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

1.2 Going concern

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

1.3 Charitable funds

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

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

1.4 Income

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

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

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

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.5 Expenditure

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

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

1.6 Tangible fixed assets

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

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

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

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

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

1.7 Heritage assets

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

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

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

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

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

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.8 Fixed asset investments

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

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

1.9 Impairment of fixed assets

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

1.10 Stocks

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

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

1.11 Cash and cash equivalents

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

1.12 Financial instruments

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

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

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

Basic financial assets

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.13 Employee benefits

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

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

1.14 Retirement benefits

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

2 Critical accounting estimates and judgements

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

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

3 Income from donations and legacies

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

4 Income from charitable activities

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

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

5 Income from other trading activities

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

6 Income from investments

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

7 Other income

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

8 Expenditure on raising funds

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

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

9 Expenditure on charitable activities

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

10 Support costs allocated to activities

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

11 Net movement in funds

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

12 Trustees

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

13 Employees

The average monthly number of employees during the year was:

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

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

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

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

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

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

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

14 Other expenditure

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

15 Taxation

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

16 Tangible fixed assets

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

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

17 Heritage assets

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

17 Heritage assets

(Continued)

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

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

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

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

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

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

18 Fixed asset investments

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

18 Fixed asset investments (Continued)

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

19 Subsidiaries

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

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

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

20 Stocks

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

21 Debtors

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

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

22 Creditors: amounts falling due within one year

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

23 Retirement benefit schemes

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

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

24 Restricted funds

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

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

24 Restricted funds (Continued)

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

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

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

Maycock fund - in coach and wagon restoration

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

Wootton - restoration/renovation of Wootton Station.

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

Calbourne - restoration of Calbourne

Invincible - restoration of Invincible

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

25 Unrestricted funds

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

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

25 Unrestricted funds (Continued)

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

Train Story 2 reserve

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

Designated/Legacies reserve

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

Fixed asset reserve

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

26 Analysis of net assets between funds

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

27 Financial commitments, guarantees and contingent liabilities

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

28 Operating lease commitments

Lessee

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

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

29 Capital commitments

Amounts contracted for but not provided in the financial statements:

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

30 Events after the reporting date

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

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

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

31 Related party transactions

Transactions with related parties

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

31 Related party transactions

(Continued)

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

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

Trustees' remuneration and expenses

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

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

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

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

33 Analysis of changes in net funds

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