Company registration number 01068690 (England and Wales)

Charity registration number 280918 (England and Wales)

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr A J Barry	
	Mr G M Deegan	
	Mr S Duddy	
	Mr I M Farnbank	
	Mr G N Felton	
	Mr S M Oates	
	Mr M H Smith	
	Mr P Taylor	
	Mr I Whitlam	
	Mr J D Woodhams	
	Ms M J Pardington	
	Mr K Laird	
	Mr M I Flynn	
	Mr E C Day	(Appointed 30 August 2025)
	Mr G Peverley	(Appointed 30 August 2025)
Secretary	Mr I Whitlam	
Country of incorporation	United Kingdom (England and Wales)	01068690
Charity registration	England and Wales	280918
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	
Accountants	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	

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION

Solicitors	Eldridges Solicitors 36 St James Street Newport Isle of Wight PO30 1LF

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
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THE ISLE OF WIGHT RAILWAY COMPANY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 DECEMBER 2025

The trustees present their annual report and financial statements for the year ended 31 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 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.

Through an extensive operational timetable during the year and specific events, the charity engaged with c. 100,000 members of the public to deliver educational experiences. The charity also provided volunteering opportunities to c.500 people across a wide range of roles, providing wellbeing, upskilling and training opportunities and achievements to a broad section of the Isle of Wight community and beyond.

The charity continued to secure, conserve and restore a range of artefacts ranging from small items to locomotives and carriage bodies, to allow ongoing and enhanced educational and engagement activity for our current and future audiences.

Public benefit

The trustees have 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 work undertaken by volunteers is central and critical to the ability of the charity to deliver its objectives and the Trustees recognise and thank volunteers for the time, commitment and contribution they provide.

Donations and bequests to the charity are of significant importance in funding many projects and the Trustees thank those who have made generous donations and who have left gifts to the charity having sadly passed away.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

Achievements and performance

Significant activities and achievements against objectives

The charity undertook a full review of its trading activities, income streams and its cost base, with a specific view to ensuring that it remains financially sustainable in an uncertain and challenging economic period. The review has successfully enabled the charity to manage its cost base and create the right infrastructure and organisational capacity to secure additional revenue streams in future years.

Two very significant acquisitions enhanced the charity's reach during the year.

The purchase of Ashey station, long identified in our Strategic Vision as a key objective, was completed in April. The purchase fills an important 'gap' in the infrastructure of our line, offers a significant opportunity to provide further engagement and interpretation with the public and provides an asset that will, following restoration, provide a revenue stream for the charity. The station building and grounds, and some adjoining land, were purchased for £675,000, utilising a 15-year mortgage, with a view to providing a heritage and operational asset, with a revenue stream following restoration and providing a significant but low risk capital investment.

In September, heritage diesel locomotive class 03 179 joined our fleet on an initial ten-year loan period, having been overhauled by Andy and Dale West and Andy Ashton. The superb restoration went on to win the Diesel and Electric Locomotive category for the significance and quality of the restoration at the 2026 Heritage Railway Association Annual Awards.

The charity broadly seeks to measure its engagement performance through the number of visitors and the number of active volunteers. These numbers remained broadly in line with the previous year at c. 100,000 and c. 500 respectively.

Further enhancements to our trading outlets positioned the rebranded 'Whistle Stop Café' such that it could ultimately trade on a standalone basis from the operations of the Railway, with a high-value product that could drive both additional footfall and secondary spend. This continued development has been a successful 'test bed' for a future business plan focussed on driving significant footfall and secondary spend to the Railway to provide a wider and more diverse customer and revenue base to better insulate the charity from its reliance on the visitor economy.

Against a backdrop of a declining visitor market in the Isle of Wight and significant inflationary pressures, especially wage costs, the charity undertook a significant staffing restructure which began early in the year. Perhaps inevitably, this generated a level of uncertainty and disruption to the organisation. The process ran on through the year, concluding only at year end.

While this was a challenging process and one which resulted in a number of members of staff leaving the employment of the charity, it did, however, deliver a more focused staffing structure, better suited to meet the demands of the business and to secure opportunities over the next few years while containing staffing costs.

In parallel, operating costs were reduced across the year through a cost reduction programme.

Fundraising practices

The Railway does not employ or contract a professional fundraiser.

Financial review

Total income for both the charity and subsidiary for the year amounted to £3,203,458 (£3,259,994 in 2024). Expenditure on raising funds amounted to £778,952 (£850,445 in 2024), trading costs £793,928 (£680,425 in 2024), charitable activities direct costs £1,382,837 (£1,434,653 in 2024), charitable activities' share of support and governance costs £156,871 (£132,904 in 2024), other expenditure £16,019 (£4,834 in 2024) The overall surplus for the year was £74,851 (£156,733 in 2024).

Revenues from train travel dropped by 8% across the year, reflecting the difficult visitor market, although revenue from 'home market'-dominated events such as Santa Specials held up against the previous year.

These falls were offset by a reduction in the cost base from a cost reduction programme and the staffing restructure. Broadly, these pressures and mitigations allowed the charity to maintain its financial stability and sustainability.

Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the group and the charity have 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.

Reserves remained strong, with £1,457,024 held in unrestricted free funds at year end, in compliance with the charity's reserves policy, which requires £1,043,000 to be held. In addition, £159,409 was held at year end in restricted funds.

Principal funding sources

In addition to train travel, event entry, catering and retail sales, the charity receives material revenues from:

Legacies £234,316 (2024 £253,258)

Donations £211,721 (2024 £294,843)

Grants £50,000 (2024 £39,726)

Investment policy

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

During the period the charity held monies in a range of interest-bearing bank accounts.

Major risks

The principal risk remained the fragility of the Isle of Wight visitor economy, constrained as it is by the need for a ferry crossing and the hard boundary.

The risk is being actively offset through a business plan that grows secondary spend and Island resident visits through a diversification of activities and products and services focused primarily on the main Havenstreet site and infrastructure.

Visitor revenues from train travel and secondary spend fund the day-to-day operations of the heritage railway.

The purchase of Ashey station in the reporting year was undertaken using a 15-year commercial mortgage. In financial terms the mortgage payments will, in the medium term, be covered from revenues from holiday letting of a substantial part of the property. In the longer term, on repayment of the mortgage the charity will benefit from a low risk, significant capital asset that generates an ongoing revenue stream.

The trustees have considered the major strategic, business and operational risks which the charitable company faces and confirm that systems and procedures are in place to maintain awareness and enable mitigation of those risks.

Plans for future periods

The charity has a long-term strategic vision and a range of shorter-term plans. The following projects are already underway.

Ashey Station

Preparation and planning works have been and continue to be undertaken in respect of the renovation and commercial repurposing of the acquired property. This work is being undertaken to allow a grant-funding bid to be submitted during 2026 for the substantive works.

Conservation Building

The charity has leased a property in Merstone for off site storage of historic items for nearly eight years. With a break in the lease available in 2026 the Board determined to find a replacement premises to purchase in preference to leasing.

Suitable premises have been identified and it is anticipated that the property will be acquired in Q3 of 2026 utilising a 15-year commercial mortgage. This facility will provide premises more suitable than those at Merstone, will be better value for money and a medium-term low risk capital asset.

Destination Havenstreet

A five-year plan has been adopted by the Board to invest in enhancements across the non-heritage parts of the site at Havenstreet to support increased footfall and secondary spend. These plans are being developed at present. They will form a significant element of a capital investment strategy that develops and maximises the use of our on-site infrastructure to create a standalone visitor offer and events centre in support of the strategy to increase footfall and secondary spend.

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 30 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 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	(Resigned 30 August 2025)
Mr G M Deegan	
Mr S Duddy	
Mr I M Farnbank	
Mr G N Felton	
Mr S M Oates	
Mr M H Smith	
Mr P Taylor	
Mr I Whitlam	
Mr J D Woodhams	
Ms M J Pardington	
Mr K Laird	
Mr M I Flynn	
Mr C I Price	(Appointed 18 April 2025 and resigned 30 August 2025)
Mr P G Vail	(Resigned 20 January 2025)
Mr E C Day	(Appointed 30 August 2025)
Mr G Peverley	(Appointed 30 August 2025)

Recruitment and appointment of trustees

Any fully paid member of the company may put their name forward for membership of the Board subject to compliance with the relevant provisions of the Articles of Association. Additionally, the Board has the right to invite members to put their name forward. Elections to the Board are subject to a confidential ballot of members. The Board may also co-opt additional members onto the Board to fill vacancies, but these will then be subject to the election process at the subsequent Annual General Meeting.

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.

Organisational structure

The Board has the responsibility for establishing policy and oversight. Day-to-day management of the companies is delegated to the Chief Executive, supported by an executive leadership team drawn from senior managers and the Board.

A senior management team consisting of key executives and departmental managers reports to the Chief Executive.

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.

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.

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, including the strategic report, was approved by the Board of Trustees.

.....
Mr K Laird
Trustee

Date: 25/8/26

.....
Mr G Peverley
Trustee

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2025

The trustees, who are also the directors of The Isle of Wight Railway Company Limited for the purpose of company law, are 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 are 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 are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
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 and parent company') and its subsidiary (the 'group') for the year ended 31 December 2025 which comprise the consolidated statement of financial activities (incorporating an income and expenditure account), consolidated balance sheet, charity balance sheet, consolidated statement of cashflows, 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 group's and parent company's affairs as at 31 December 2025 and of the group's 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 group or parent 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 parent 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.

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 company and group 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 company and group 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 company and group'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.
- The consolidated financial statements of the group incorporate the results of a subsidiary entity. Moore (South) LLP are auditors to IWR Trading Limited. The approach is consistent across all group entities audited by Moore (South) LLP.

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.

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 September 2026

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
(A COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Income from:							
Donations and legacies	3	399,301	96,736	496,037	464,096	123,731	587,827
Charitable activities	4	1,255,628	-	1,255,628	1,344,318	-	1,344,318
Other trading activities	5	1,424,287	-	1,424,287	1,269,292	-	1,269,292
Investments	6	27,506	-	27,506	58,557	-	58,557
Total income		3,106,722	96,736	3,203,458	3,136,263	123,731	3,259,994
Expenditure on:							
Raising funds	7	1,572,880	-	1,572,880	1,524,206	6,664	1,530,870
Charitable activities	8	1,485,279	54,429	1,539,708	1,514,808	52,749	1,567,557
Other expenditure	13	16,019	-	16,019	4,834	-	4,834
Total expenditure		3,074,178	54,429	3,128,607	3,043,848	59,413	3,103,261
Net income		32,544	42,307	74,851	92,415	64,318	156,733
Transfers between funds		71,813	(71,813)	-	24,578	(24,578)	-
Net movement in funds	10	104,357	(29,506)	74,851	116,993	39,740	156,733
Reconciliation of funds:							
Fund balances at 1 January		5,640,201	188,915	5,829,116	5,523,208	149,175	5,672,383
Fund balances at 31 December		5,744,558	159,409	5,903,967	5,640,201	188,915	5,829,116

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
(A COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Tangible assets	15		3,862,293		3,218,245
Heritage assets	16		425,241		385,119
			4,287,534		3,603,364
Current assets					
Stocks	19	184,324		163,857	
Debtors	20	394,674		340,418	
Cash at bank and in hand		1,519,017		1,987,049	
		2,098,015		2,491,324	
Creditors: amounts falling due within one year	21	(196,742)		(265,572)	
Net current assets			1,901,273		2,225,752
Total assets less current liabilities			6,188,807		5,829,116
Creditors: amounts falling due after more than one year	22		(284,840)		-
Net assets			5,903,967		5,829,116
The funds of the charity					
Restricted income funds	25		159,409		188,915
Unrestricted funds	26		5,744,558		5,640,201
			5,903,967		5,829,116

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 24/8/26

Mr K Laird
Trustee

Mr G Peverley
Trustee

Company registration number 01068690 (England and Wales)

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
PARENT CHARITABLE COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Tangible assets	15		3,791,632		3,175,370
Heritage assets	16		425,241		385,119
Investments	17		10,000		10,000
			4,226,873		3,570,489
Current assets					
Stocks	19	22,990		32,043	
Debtors	20	651,619		526,601	
Cash at bank and in hand		1,401,227		1,803,138	
		2,075,836		2,361,782	
Creditors: amounts falling due within one year	21	(164,324)		(231,903)	
Net current assets			1,911,512		2,129,879
Total assets less current liabilities			6,138,385		5,700,368
Creditors: amounts falling due after more than one year	22		(284,840)		-
Net assets			5,853,545		5,700,368
The funds of the charity					
Restricted income funds	25		159,409		188,915
Unrestricted funds	26		5,694,136		5,511,453
			5,853,545		5,700,368

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 24/8/26

Mr K Laird
Trustee

Mr G Peverley
Trustee

Company registration number 01068690 (England and Wales)

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Cash flows from operating activities					
Cash generated from operations	32		188,557		211,678
Investing activities					
Purchase of tangible fixed assets		(891,816)		(372,056)	
Proceeds from disposal of tangible fixed assets		-		3,282	
Purchase of heritage assets		(89,411)		(205,431)	
Investment income received		27,506		58,557	
Net cash used in investing activities			(953,721)		(515,648)
Financing activities					
Proceeds from new bank loans		304,500		-	
Repayment of bank loans		(7,368)		-	
Net cash generated from financing activities			297,132		-
Net decrease in cash and cash equivalents			(468,032)		(303,970)
Cash and cash equivalents at beginning of year			1,987,049		2,291,019
Cash and cash equivalents at end of year			1,519,017		1,987,049

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.

The group consists of The Isle of Wight Railway Company Limited and its trading subsidiary.

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 £1.

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

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

No separate SOFA has been presented for the Charity alone as permitted by section 408 of the Companies Act 2006. The income and expenditure account for the year dealt with in the accounts of the Charity was a surplus of £153,177 (2024 - £177,394).

1.2 Going concern

At the time of approving the financial statements, the trustees have 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.

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.

1 **Accounting policies** **(Continued)**

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount can be reliably estimated, and receipt is expected. Where a legacy is notified after the reporting date but the entitlement to the legacy and the amount receivable were established prior to the reporting date, the legacy is recognised as an adjusting event where receipt is probable. Where the amount of a legacy cannot be reliably estimated, it 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.

Membership subscriptions are recognised evenly over 12 months from the date the membership was taken out.

Income from trading activities, including travel tickets, special events tickets, shop, catering and shows income, is recognised, net of value added tax.

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

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 on the following bases:

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 Accounting policies **(Continued)**

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 depreciated 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.

1.8 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).

1.9 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.

1.10 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.

1 Accounting policies **(Continued)**

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.

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 Taxation

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

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 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.

2 Critical accounting estimates and judgements **(Continued)**

Key sources of estimation uncertainty

Depreciation
The charity reviews the residual values and estimated useful economic lives to assign appropriate depreciation rates to the relevant fixed asset and heritage asset classes at each reporting date.

Legacy income
The recognition of legacy income requires judgement as to whether the charity's entitlement to the legacy and the amount receivable were established at the reporting date. Where notification of a legacy is received after the reporting date, the trustees consider the available information to determine whether the circumstances giving rise to the legacy existed at the reporting date and whether the amount receivable can be reliably estimated. Where these conditions are met and receipt is expected, the legacy is recognised as income in the period to which it relates.

3 Income from donations and legacies

	Unrestricted funds 2025	Restricted funds 2025	Total 2025	Unrestricted funds 2024	Restricted funds 2024	Total 2024
	£	£	£	£	£	£
Donations and gifts	114,985	96,736	211,721	171,112	123,731	294,843
Legacies	234,316	-	234,316	253,258	-	253,258
Grants	50,000	-	50,000	39,726	-	39,726
	399,301	96,736	496,037	464,096	123,731	587,827

4 Income from charitable activities

	Unrestricted funds 2025	Unrestricted funds 2024
	£	£
Ticket sales		
Ticket sales	1,184,392	1,285,093
Other income	5,419	3,734
Membership subscriptions		
Other income	65,817	55,491
	1,255,628	1,344,318

Membership subscriptions are recognised evenly over twelve months from the date the membership was taken out.

5 Income from other trading activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Fundraising events	547,852	440,875
Shop, catering and special events admissions	863,066	817,490
Other income	13,369	10,927
Other trading activities	1,424,287	1,269,292

6 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Interest receivable	27,506	58,557

7 Expenditure on raising funds

	Unrestricted funds 2025	Restricted funds 2025	Total 2025	Unrestricted funds 2024	Restricted funds 2024	Total 2024
	£	£	£	£	£	£
Financial costs	24,192	-	24,192	18,075	-	18,075
Special events	62,544	-	62,544	103,813	-	103,813
Volunteer department expenses	9,348	-	9,348	13,157	-	13,157
Advertising	171,159	-	171,159	176,704	-	176,704
Other fundraising costs	64,945	-	64,945	68,682	6,664	75,346
Staff costs	113,093	-	113,093	168,543	-	168,543
Depreciation and impairment	42,340	-	42,340	47,537	-	47,537
Support costs	291,331	-	291,331	247,270	-	247,270
	778,952	-	778,952	843,781	6,664	850,445
Trading costs						
Operating trading company	577,153	-	577,153	479,219	-	479,219
Staff costs	204,304	-	204,304	193,638	-	193,638
Depreciation and impairment	12,471	-	12,471	7,568	-	7,568
	793,928	-	793,928	680,425	-	680,425
Total costs	1,572,880	-	1,572,880	1,524,206	6,664	1,530,870

8 Expenditure on charitable activities

	Railway infrastructure and rolling stock			Railway infrastructure and rolling stock		
	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted 2024 £	Total 2024 £
Direct costs						
Staff costs	686,704	17,083	703,787	665,097	16,104	681,201
Depreciation and impairment	241,631	-	241,631	211,011	-	211,011
Rolling Stock and infrastructure running costs	242,010	-	242,010	277,104	-	277,104
Rolling Stock refurb	19,734	-	19,734	37,525	-	37,525
Sundry	10,278	-	10,278	26,631	-	26,631
Operating costs	7,824	-	7,824	9,179	-	9,179
Printing, postage and stationery	140	-	140	227	-	227
Repairs & maintenance	57,803	23,437	81,240	78,857	22,022	100,879
Cleaning	4,241	-	4,241	5,483	-	5,483
Legal & professional	14,347	-	14,347	16,040	-	16,040
IRN membership	25,971	-	25,971	27,884	-	27,884
Audit and accountancy	17,725	-	17,725	15,815	-	15,815
Museum expenditure	-	13,909	13,909	11,051	14,623	25,674
	1,328,408	54,429	1,382,837	1,381,904	52,749	1,434,653
Share of support and governance costs (see note 9)						
Support	156,871	-	156,871	132,904	-	132,904
	1,485,279	54,429	1,539,708	1,514,808	52,749	1,567,557
Analysis by fund						
Unrestricted funds	1,485,279	-	1,485,279	1,514,808	-	1,514,808
Restricted funds	-	54,429	54,429	-	52,749	52,749
	1,485,279	54,429	1,539,708	1,514,808	52,749	1,567,557

9 Support costs allocated to activities

	2025	2024
	£	£
Staff costs	172,278	144,263
Insurance	91,812	85,878
Printing, post and stationery	17,444	19,218
Heat, light and water	123,146	94,329
Telephone	11,869	10,063
Rates	9,121	5,291
Health and safety	2,132	1,132
Rent	20,400	20,000
	448,202	380,174
Analysed between:		
Fundraising	291,331	247,270
Railway infrastructure and rolling stock	156,871	132,904
	448,202	380,174

10 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	12,400	12,000
Fees payable to the charity's auditor:		
- for non audit services	4,000	3,900
Depreciation of owned tangible fixed assets	247,151	227,757
Depreciation of heritage assets	49,289	38,539
Loss on disposal of tangible fixed assets	617	4,834

11 Trustees

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

12 Employees

The average monthly number of employees during the year was:

Group		Company	
2025	2024	2025	2024
Number	Number	Number	Number
52	54	39	43

12 Employees (Continued)

Employment costs	Group 2025 £	2024 £	Company 2025 £	2024 £
Wages and salaries	1,076,323	1,099,235	891,872	919,315
Social security costs	97,736	71,009	80,908	59,389
Other pension costs	19,403	17,401	16,378	14,303
	1,193,462	1,187,645	989,158	993,007

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2025 Number	2024 Number
£70,000-£79,999	1	-

Remuneration of key management personnel
The remuneration of key management personnel was as follows:

	2025 £	2024 £
Aggregate earnings	121,700	98,425

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

13 Other expenditure

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Net loss on disposal of tangible fixed assets	617	4,834
Financing costs	15,402	-
	16,019	4,834

14 Taxation

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

15 Tangible fixed assets

GROUP

	Freehold land and property	Improvements to property	Permanent Way, Tools & Equipment	Fixtures and fittings	Office Equipment	Motor vehicles	Total
	£	£	£	£	£	£	£
Cost							
At 1 January 2025	2,886,943	966,280	1,555,460	119,819	145,409	198,051	5,871,962
Additions	699,124	103,896	17,751	40,257	30,788	-	891,816
Disposals	-	(2,299)	(4,524)	-	(6,369)	-	(13,192)
At 31 December 2025	3,586,067	1,067,877	1,568,687	160,076	169,828	198,051	6,750,586
Depreciation and impairment							
At 1 January 2025	767,943	774,888	847,334	76,944	89,214	97,394	2,653,717
Depreciation charged in the year	70,286	59,018	63,036	12,471	17,176	25,164	247,151
Eliminated in respect of disposals	-	(2,120)	(4,201)	-	(6,254)	-	(12,575)
At 31 December 2025	838,229	831,786	906,169	89,415	100,136	122,558	2,888,293
Carrying amount							
At 31 December 2025	2,747,838	236,091	662,518	70,661	69,692	75,493	3,862,293
At 31 December 2024	2,119,000	191,392	708,126	42,875	56,195	100,657	3,218,245

15 **Tangible fixed assets** (Continued)

COMPANY

	Freehold land and property	Improvements to property	Permanent Way, Tools & Equipment	Fixtures and fittings	Office Equipment	Motor vehicles	Total
	£	£	£	£	£	£	£
Cost							
At 1 January 2025	2,886,943	966,280	1,555,460	-	145,409	198,051	5,752,143
Additions	699,124	103,896	17,751	-	30,788	-	851,559
Disposals	-	(2,299)	(4,524)	-	(6,369)	-	(13,192)
At 31 December 2025	3,586,067	1,067,877	1,568,687	-	169,828	198,051	6,590,510
Depreciation and impairment							
At 1 January 2025	767,943	774,888	847,334	-	89,214	97,394	2,576,773
Depreciation charged in the year	70,286	59,018	63,036	-	17,176	25,164	234,680
Eliminated in respect of disposals	-	(2,120)	(4,201)	-	(6,254)	-	(12,575)
At 31 December 2025	838,229	831,786	906,169	-	100,136	122,558	2,798,878
Carrying amount							
At 31 December 2025	2,747,838	236,091	662,518	-	69,692	75,493	3,791,632
At 31 December 2024	2,119,000	191,392	708,126	-	56,195	100,657	3,175,370

15 Tangible fixed assets (Continued)

Assets in the course of construction amounted to £232,503 (2024 - £227,606) at the year end. £205,731 (2024 - £202,074) is included within Freehold Property and £26,772 (2024 - £25,532) is included within Permanent Way, tools and equipment.

16 Heritage assets

GROUP AND COMPANY

	Island Heritage Locomotive Overhaul Costs	Ajax	Ivatts	Drewry	Total
	£	£	£	£	£
Cost					
At 1 January 2025	136,077	45,478	309,644	193,298	684,497
Additions	85,093	-	-	4,318	89,411
At 31 December 2025	221,170	45,478	309,644	197,616	773,908
At 1 January 2025	3,941	45,478	236,143	13,816	299,378
Depreciation charged in year	8,445	-	30,963	9,881	49,289
At 31 December 2025	12,386	45,478	267,106	23,697	348,667
Carrying amount					
At 31 December 2025	208,784	-	42,538	173,919	425,241
At 31 December 2024	132,136	-	73,501	179,482	385,119

There are heritage assets in the course of construction at the year end amounting to £136,718. £151,845 is included within Island Heritage Locomotive Overhaul costs relating to E1 W2 Yarmouth and W8 Freshwater and £65,886 is included within the Drewry 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.

16 Heritage assets **(Continued)**

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.

17 Fixed asset investments

	Total
	£
Cost or valuation	
Carrying amount	
At 31 December 2025	-
At 31 December 2024	-

		Group		Company	
		2025	2024	2025	2024
Other investments comprise:	Notes	£	£	£	£
Investments in subsidiaries	18	-	-	10,000	10,000

18 Subsidiaries

Details of the charity's subsidiaries at 31 December 2025 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
IWR Trading Limited (company number: 02769446)	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	100.00	

18 Subsidiaries **(Continued)**

The turnover for IWR Trading Limited for the year ended 31 December 2025 was £863,067 (2024 - £817,493), expenditure for the year £868,697 (2024 - £743,282) and bank interest £1,001 (2024 - £1,230). The net deficit after tax and before donations to the charity for the year ended 31 December 2025 was £4,629 (2024 - surplus £75,441). Total assets at 31 December 2025 were £356,962 (2024 - £378,227), total liabilities were £296,540 (2024 - £239,478) and shareholder's funds amounted to £60,422 (2024 - £138,698). Its primary activity is trading in support of The Isle of Wight Railway Company Ltd.

19 Stocks

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Raw materials and consumables	22,990	32,043	22,990	32,043
Finished goods and goods for resale	161,334	131,814	-	-
	184,324	163,857	22,990	32,043

20 Debtors

	Group		Company	
	2025	2024	2025	2024
Amounts falling due within one year:	£	£	£	£
Trade debtors	10,851	10,677	10,582	10,555
Amounts owed by subsidiary undertakings	-	-	263,773	205,810
Other debtors	294,798	213,594	294,483	211,545
Prepayments and accrued income	89,025	116,147	82,781	98,691
	394,674	340,418	651,619	526,601

21 Creditors: amounts falling due within one year

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Bank loans	12,292	-	12,292	-
Convertible loans	100	100	100	100
Other taxation and social security	21,839	19,064	20,607	17,991
Payments received on account	39,050	95,267	38,274	94,308
Trade creditors	75,077	88,072	55,506	66,876
Other creditors	2,671	3,369	2,343	3,369
Accruals and deferred income	45,713	59,700	35,202	49,259
	196,742	265,572	164,324	231,903

22 Creditors: amounts falling due after more than one year

	Notes	2025 £	2024 £
Bank loans	23	284,840	-

23 Loans and overdrafts

	2025 £	2024 £
Bank loans	297,132	-
Payable within one year	12,292	-
Payable after one year	284,840	-
Amounts included above which fall due after five years:		
Payable by instalments	225,998	-

The long-term loans are secured by fixed and floating charges over property known as or being the Old Station House, Ashey, Ryde, PO33 4BU and land lying to the north of old station house, station road, Ashey, PO33 4BU.

The bank loan bears interest at a fixed rate margin of 3.54% per annum above the prevailing base rate and is repayable over 15 years from 17 April 2025.

24 Retirement benefit schemes

Defined contribution schemes	2025 £	2024 £
Charge to profit or loss in respect of defined contribution schemes	19,403	17,401

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.

25 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 2025	Incoming resources	Resources expended	Transfers	At 31 December 2025
	£	£	£	£	£
Carriage and wagon restoration	103,289	15,575	(26,756)	-	92,108
The Museum Fund	13,180	12,095	(13,909)	-	11,366
Maycock Fund	9,112	298	(2,000)	-	7,410
IWSR 200 Club	10,601	5,482	(2,787)	(9,706)	3,590
Wootton	24,962	6,316	-	(7,877)	23,401
Drewry Railcar	-	225	-	(225)	-
Calbourne	1,973	-	-	-	1,973
Possible acquisition fund	7,990	-	(7,102)	-	888
Invincible	17,808	865	-	-	18,673
Ashey station project	-	55,880	(1,875)	(54,005)	-
	188,915	96,736	(54,429)	(71,813)	159,409

Previous year:	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
Wootton	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
	149,175	123,731	(59,413)	(24,578)	188,915

Carriage and wagon restoration - for the restoration of carriages and wagons including grant income.
Museum fund - in the furtherance of the development of the museum (heritage and learning).
Maycock fund - in coach and wagon restoration
IWSR 200 fund - for the provision of volunteer facilities and other designated projects.
Wootton - restoration/renovation of Wootton Station.
Drewry Railcar - restoration of the Drewry Railcar and its related trailer car
Calbourne - restoration of Calbourne
Invincible - restoration of Invincible
Possible acquisition - towards the acquisition of a specific locomotive for display should it become available
Ashey Station project - towards the acquisition and restoration of Ashey station

26 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 2025	Incoming resources	Resources expended	Transfers	At 31 December 2025
	£	£	£	£	£
Designated / legacies fund	754,242	162,316	(53,129)	(300,000)	563,429
Train Story 2 designated fund	141,216	-	-	-	141,216
Fixed asset reserve	3,603,364	-	-	684,170	4,287,534
Trading subsidiary	128,748	864,067	(793,927)	(148,466)	50,422
General funds	1,012,631	2,080,339	(2,227,122)	(163,891)	701,957
	5,640,201	3,106,722	(3,074,178)	71,813	5,744,558

Previous year:	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	3,300,109	-	-	303,255	3,603,364
Trading subsidiary	149,409	818,720	(680,424)	(158,957)	128,748
General funds	985,379	2,205,071	(2,268,348)	90,529	1,012,631
	5,523,208	3,136,263	(3,043,848)	24,578	5,640,201

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 spent on a particular project but no legal obligation and where they have been received with no specific indication as to how the funds are spent.

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

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

27 Analysis of net assets between funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
At 31 December 2025:			
Tangible assets	3,862,293	-	3,862,293
Heritage assets	425,241	-	425,241
Current assets/(liabilities)	1,741,864	159,409	1,901,273
Long term liabilities	(284,840)	-	(284,840)
	5,744,558	159,409	5,903,967

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 December 2024:			
Tangible assets	3,218,245	-	3,218,245
Heritage assets	385,119	-	385,119
Current assets/(liabilities)	2,036,837	188,915	2,225,752
	5,640,201	188,915	5,829,116

28 Contingent assets

The charity has unrecognised contingent assets estimated to be between £33,000 and £67,000 (2024 - £nil) in respect of 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. As the amount receivable remains subject to estimation uncertainty, no debtor has been recognised at the reporting date.

29 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:

	Group 2025 £	2024 £	Company 2025 £	2024 £
Within one year	16,667	16,667	16,667	16,667

30 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Acquisition of property, plant and equipment	77,274	94,300	77,274	94,300

31 Related party transactions

Transactions with related parties
During the year the charity entered into the following transactions with related parties:

During the year the Charity's subsidiary, IWR Trading Limited, paid the Charity £12,000 (2024 - £12,000) in relation to rent. During the year, the Charity also received a management charge from IWR Trading Limited amounting to £62,769 (2024 - £50,853) and a share of the Chief Executive salary of £13,262 (2024 - £11,245). The amount due from the subsidiary at 31 December 2025 is shown in note 20.

Relatives of the Chief Executive of the charity and Mr M Flynn, trustee of the charity, were employed by the subsidiary company during the year, their employment terms and salary were commensurate with others in the same role.

The charity's subsidiary, IWR Trading Limited, made a distribution to the charity of £73,697 (2024 £96,104).

Five (2024 - Six) trustees received reimbursement for travel, accommodation and small sundry expenses of £1,201 (2024 - £1,959)

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

	2025	2024
	£	£
Surplus for the year	74,851	156,733
Adjustments for:		
Investment income recognised in statement of financial activities	(27,506)	(58,557)
Loss on disposal of tangible fixed assets	617	4,834
Depreciation and impairment of tangible fixed assets	296,440	266,116
Movements in working capital:		
(Increase) in stocks	(20,467)	(35,860)
(Increase) in debtors	(54,256)	(148,052)
(Decrease)/increase in creditors	(81,122)	26,464
Cash generated from operations	188,557	211,678

33 Analysis of changes in net funds

	At 1 January 2025	Cash flows	At 31 December 2025
	£	£	£
Cash at bank and in hand	1,987,049	(468,032)	1,519,017
Loans falling due within one year	(100)	(12,292)	(12,392)
Loans falling due after more than one year	-	(284,840)	(284,840)
	1,986,949	(765,164)	1,221,785