COMPANY REGISTRATION NUMBER 01157099

SOUTH DEVON RAILWAY TRUST

FINANCIAL STATEMENTS

31 DECEMBER 2025

Charity Number 800299

PEPLOWS LIMITED
Chartered Accountants
Moorgate House
King Street
Newton Abbot
Devon
TQ12 2LG

SOUTH DEVON RAILWAY TRUST

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2025

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SOUTH DEVON RAILWAY TRUST

TRUSTEES' ANNUAL REPORT AND STRATEGIC REVIEW

YEAR ENDED 31 DECEMBER 2025

Directors	J K Morton	Chairman and Operating
	A R Cash	Mechanical Engineering
	R J Elliott	Fund Raising (resigned 11 February 2026)
	G Hooper	Director
	J Keohane MVO BEM	Volunteer Liaison (resigned 28 June 2025)
	A L Taylor MCIPS	Director
	P C Treglown MCIPR MIoD	Marketing (resigned 30 November 2025)
	C A Williams	Director (resigned 30 January 2026)
	M Wall	Director (appointed 25 February 2026)

Company Secretary	V P Coon
Company Number	1157099
Charity Registration Number	800299
Registered Office	The Station Buckfastleigh Devon TQ11 0DZ
Auditors (Accountants)	Peplows Audit Limited (Peplows Limited) Moorgate House King Street Newton Abbot Devon TQ12 2LG
Business Address	The Station Buckfastleigh Devon TQ11 0DZ
Bankers	Lloyds Bank plc Fore Street Okehampton Devon EX20 1HJ
Solicitors	Ashfords LLP Ashford House Grenadier Road Exeter Business Park Exeter Devon EX1 3LH Tozers LLP Broadwalk House Southernhay West Exeter EX1 1UA

SOUTH DEVON RAILWAY TRUST

TRUSTEES' ANNUAL REPORT AND STRATEGIC REVIEW

YEAR ENDED 31 DECEMBER 2025

South Devon Railway Trust (SDRT) is a registered charity that owns the freehold estate and assets that comprise the South Devon Railway. The property and assets are leased to South Devon Railway Limited (SDRL) which is a Charitable Community Benefit Society responsible for the safe operation and delivery of the core undertaking, a heritage railway. Both organisations share the same aims and objects as described below. SDRL undertakes the operation of the railway under a Transport and Works Order under the jurisdiction of the Office of Road and Rail (ORR), a non-ministerial government department.

SDRT shares its vision with SDRL which is:
"To advance public education in the history and development of railway transportation by maintaining and operating a typical West Country branch line following the practice of the Great Western Railway and British Railways (Western Region). This will enable visitors to experience and learn about branch line rail travel as it was prior to 1966."

Principal Object, Aims and Activities

As stated in the SDRT articles, the objects of the charity shall be for the public benefit to advance education in the history and development of railway transportation systems, by providing or assisting in the provision of opportunities that teach and deliver experience of how railways provided transport for people and goods throughout the 19th and 20th centuries, and to foster and support railway preservation and conservation, in particular (but not exclusively) by;

(a) the acquisition, preservation and operation of a heritage railway.
(b) the acquisition, preservation, conservation and maintenance and repair of;
    i. heritage locomotives and rolling stock.
    ii. heritage railway buildings, bridges, track, signalling systems and other historic railway structures and associated infrastructure.
    iii. railway archives, historical records and artefacts.
(c) the establishment and maintenance of a railway museum or museums; and
(d) the provision of education and skills training in relation to the restoration, repair and operation of heritage railways, heritage railway vehicles, structures and associated infrastructure.

Delivery of this object is achieved with the assistance of the operator, SDRL and its two trading subsidiaries:

- South Devon Railway Retail and Catering (SDR R&C) is SDRL's retail and catering trading arm and is a wholly owned subsidiary company which gift aids its taxable profits to its parent body.
- South Devon Railway Engineering Ltd (SDRE), is SDRL's mechanical engineering external contract trading arm and is a wholly owned subsidiary company of SDRL which gift aids its taxable profits to its parent body.

These two subsidiary companies satisfy the Charity Commission's guidance on charities undertaking trading activities.

The directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the society's aims and objectives in planning future activities.

Trustees and their interests

The Trustees who served during the year and their interests in the charity are as stated below:

Ordinary Shares	2025	2024
A R Cash	1	1
R J Elliott*	182	182
G P J Hooper	1	1
J Keohane	375	375
J K Morton	1	1
A L Taylor	148	148
P C Treglown	20	20
C A Williams	1	1

*R J Elliott holds 50 Founders Shares in both years and the 182 ordinary shares are held jointly with Mrs J M Elliott.

John Keohane resigned his position as Trustee on 28th June 2025 and Chris Williams has resigned his position as Trustee on 31st January 2026.

Sadly, we had to bid farewell to Peter Treglown who had been a volunteer since the very early Dart Valley days. Peter sadly passed away in November after a short illness.

The South Devon Railway Association (SDRA) has a long-established right to nominate two of their number as Trustees, however the method of recruitment, selection for co-option and subsequent election by members at a general meeting is the same as all Trustees. Although it has never happened, nomination by the SDRA is not a guarantee to eventual co-option and election. In 2025 the SDRA nominated trustees were A R Cash and J Keohane. It should be noted that in the terms of the Charities Act 2016 the SDRA is defined as "a connected non-charity".

As SDRT is a registered charity with the Charity Commission, trustees are not permitted to enjoy any remuneration from their office. SDRT does not normally reimburse any directors with travelling expenses but, if circumstances require an exceptional amount of travel, then a trustee may be reimbursed with a return rail fare or appropriate fuel money.

Chairman's Review

In 2025 SDRT continued to support the operation of the South Devon Railway by its tenant, SDRL. The joint subcommittee with SDRL to review the structure of all SDR group organisations and recommend any improvements to ensure compliance with charity and company law has continued its work looking at how the whole organisation can benefit from charity tax concessions such as Gift Aid.

Profitability in the year was greatly enhanced by a sizeable legacy very generously left to SDRT.

Accounting rules require us to show such income in our accounts at the earliest opportunity notwithstanding that there will be a delay in the company receiving the cash.

Locomotives and Rolling stock

Maintenance activities (undertaken by SDRL) on the home fleet continued and work progressed on loco 1420 and there is confidence that this loco will be back to steam in 2026. The next candidate for attention is pannier tank 6412 which has now entered the workshop with work starting on its overhaul and return to steam.

Rising visitor numbers mean that C&W work is concentrating on increasing normal passenger rolling stock overhaul and those specialist vehicles that will help generate more income on dining trains and themed events. Production will be helped by the planned improved C&W workshop facilities.

Governance

Overview

The Trustees are committed to maintaining the highest standards of corporate governance. During the year, we strengthened our governance framework to support long term sustainable success, enhance accountability, and ensure effective oversight of the company's strategy, risk management, and culture. This section outlines the key improvements made and how we continue to align with the principles of the UK Corporate Governance Code.

Trustee Leadership and Code of Conduct

- We enhanced our oversight of culture through regular reporting on employee engagement, conduct, and organisational health indicators.
- A refreshed Code of Conduct was rolled out to the Trustees and Directors across the organisation.

Division of Responsibilities

- We strengthened the balance of skills and independence on the Board through the appointment of new trustees with expertise in finance, management, training and publicity.
- The roles of the Chair and Finance remain clearly defined and separate, ensuring an appropriate balance of authority and responsibility.

Board Composition, Succession, and Evaluation

- A formal succession planning process was introduced, focusing on long term capability needs and diversity of thought, background, and experience.

Stakeholder Engagement

- The Board increased its direct engagement with employees through site visits and open discussion at every opportunity.
- Shareholder engagement was strengthened through enhanced reporting and targeted consultations.

Looking Ahead

The Board remains committed to continuous improvement in governance practices. In the coming year, we will focus on further strengthening our internal financial reporting, training and our engagement with stakeholders as we deliver on our long-term strategy.

Looking forward

On behalf of all the Trustees I would like to record our thanks to all volunteers and staff for their assistance in making the South Devon Railway the success that it is, your efforts are very much appreciated. Without all your help in operating trains, maintaining stations, track, signalling, rolling stock and equipment let alone the numerous hidden support roles the railway simply would not survive.

The Directors' Report was approved by the Board of Directors on 25 March 2026 and signed on their behalf by:

Vernon Coon
Registered office:
Company Secretary
The Station Dartbridge Road
Buckfastleigh
Devon TQ11 0DZ

SOUTH DEVON RAILWAY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS OF SOUTH DEVON RAILWAY TRUST

YEAR ENDED 31 DECEMBER 2025

Opinion

We have audited the financial statements of South Devon Railway Trust (the 'charitable company') for the year ended 31 December 2025 which comprise SOFA, Income and Expenditure Account, Balance Sheet, Cash Flow Statement 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 2025, and of its incoming resources and application of resources, including its income and expenditure, 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 charitable company 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 charitable company'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 Trustees' annual report and strategic review, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report and strategic review. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 require 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
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 10, the Trustees (who are also the directors of the charitable company for the purposes 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 charitable company'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 regulations made under section 154 of that Act.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- we identified the laws and regulations applicable to the charitable company through discussions with directors and other management, and from our commercial knowledge and experience of the relevant sectors;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including charity law, gift aid regulations, Transport and Works Order and Health & Safety Regulations;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- reviewing the operation, via testing and/or discussing with management, of internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries (including movements in accruals and prepayments) to identify unusual transactions;
- investigated the rationale behind significant or unusual transactions; and
- reviewing the records past the accounting date for any indication of transactions that should be reflected in these accounts.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC and the company's legal advisors.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

SOUTH DEVON RAILWAY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS OF SOUTH DEVON RAILWAY TRUST

YEAR ENDED 31 DECEMBER 2025

Use of our report

This report is made solely to the charitable company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

MICHAEL YOUNG BSC FCA (Senior Statutory Auditor)
For and on behalf of
PEPLOWS AUDIT LIMITED
Chartered Accountants
& Statutory Auditor

Moorgate House
King Street
Newton Abbot
Devon
TQ12 2LG

25 March 2026

SOUTH DEVON RAILWAY TRUST

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2025

	Note	2025 Unrestricted Funds £	2025 Restricted Funds £	2025 Endowment Funds £	2025 Total Funds £	2024 Total Funds £
Income and endowments from:						
Donations and legacies	2	**251,523**	**660**	**-**	**252,183**	14,330
Charitable activities	3	**80,000**	**-**	**-**	**80,000**	80,000
Investments	4	**376**	**-**	**-**	**376**	-
Total income and endowments		**331,899**	**660**	**-**	**332,559**	94,330
Expenditure on:						
Charitable activities	5	**133,856**	**13,865**	**-**	**147,721**	238,744
Other expenditure	6	**4,524**	**-**	**-**	**4,524**	2,625
Total expenditure		**138,380**	**13,865**	**-**	**152,245**	241,369
Net income		**193,519**	**(13,205)**	**-**	**180,314**	(147,039)
Other recognised (losses):						
Other (losses)		**-**	**-**	**-**	**-**	-
Net movement in funds		**193,519**	**(13,205)**	**-**	**180,314**	(147,039)
Reconciliation of funds:						
Total funds brought forward		**2,426,152**	**519,101**	**119,149**	**3,064,402**	3,211,441
Total funds carried forward	24	**2,619,671**	**505,896**	**119,149**	**3,244,716**	3,064,402

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

The notes on pages 16 to 31 form part of these financial statements

SOUTH DEVON RAILWAY TRUST

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 DECEMBER 2025

	Note	2025 £	2025 £	2024 £	2024 £
INCOME			**332,183**		94,330
TOTAL INCOME			**332,183**		**94,330**
TOTAL EXPENDITURE			**(141,277)**		(194,716)
OPERATING (DEFICIT)	**9**		**190,906**		**(100,386)**
OTHER INCOME					
Interest receivable and similar income	**4**	**376**		-	
			376		**-**
			191,282		**(100,386)**
INTEREST PAYABLE					
Interest payable: Loans		**(2,236)**		(1,235)	
Interest payable: Loan stock		**(3,174)**		(6,279)	
Interest payable: Bank loans		**(5,558)**		(38,472)	
HP interest		**-**		(667)	
			(10,968)		**(46,653)**
RETAINED (DEFICIT) FOR THE FINANCIAL YEAR			**180,314**		**(147,039)**

The notes on pages 16 to 31 form part of these financial statements

SOUTH DEVON RAILWAY TRUST

BALANCE SHEET

31 DECEMBER 2025

	Note	2025 £	2025 £	2024 £	2024 £
FIXED ASSETS					
Intangible assets	**14**		**-**		-
Tangible assets	**15**		**3,017,075**		3,127,197
Investments	**16**		**370,516**		370,516
			3,387,591		3,497,713
CURRENT ASSETS					
Debtors	**17**	**378,322**		43,075	
Cash at bank		**18,324**		114,536	
		396,646		157,611	
CREDITORS: Amounts falling due within one year	**18**	**(387,642)**		(330,505)	
NET CURRENT (LIABILITIES)/ASSETS			**9,004**		(172,894)
TOTAL ASSETS LESS CURRENT LIABILITIES			**3,396,595**		3,324,819
CREDITORS: Amounts falling due after more than one year	**19**		**(151,879)**		(260,417)
NET ASSETS			**3,244,716**		3,064,402
CHARITY FUNDS					
Endowment funds	**21**				
Share capital			**118,674**		118,674
Capital redemption reserve			**475**		475
Restricted funds	**22**		**505,896**		519,101
Unrestricted funds	**23**		**2,461,012**		2,267,493
Revaluation reserve			**158,659**		158,659
TOTAL CHARITY FUNDS			**3,244,716**		3,064,402

These financial statements were approved by the Members of the Board on the 25 March 2026 and are signed on their behalf by:

Mr M Wall
Director

Company Registration Number: 01157099

The notes on pages 16 to 31 form part of these financial statements

SOUTH DEVON RAILWAY TRUST

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2025

	Note	2025 £	2024 £
Cash flow from operating activities	**25**	**213,147**	132,695
Net cash flow from operating activities		**213,147**	132,695
Cash flow from investing activities			
Payments to acquire tangible fixed assets		**-**	-
Receipts from sales of tangible fixed assets		**-**	25,000
Interest received		**376**	-
Payments for new investments		**-**	(100,000)
Net cash flow from investing activities		**376**	(75,000)
Cash flow from financing activities			
Receipts from issue of new long term loans		**-**	-
Repayment of long term loans		**(298,767)**	(265,029)
Repayment of finance lease liabilities		**-**	(6,667)
Interest paid		**(10,968)**	(46,653)
Net cash flow from financing activities		**(309,735)**	(318,349)
Net increase / (decrease) in cash and cash equivalents		**(96,212)**	(260,654)
Cash and cash equivalents at 1 January 2025		**114,536**	375,190
Cash and cash equivalents at 31 December 2025		**18,324**	114,536
Cash and cash equivalents consists of:			
Cash at bank and in hand		**18,324**	114,536
Cash and cash equivalents at 31 December 2025		**18,324**	114,536

The notes on pages 16 to 31 form part of these financial statements

1. ACCOUNTING POLICIES

General information and basis of preparation

South Devon Railway Trust is a company with share capital, but with liability limited by guarantee, subject to the provisions of Companies Act 2006 and is governed, in the United Kingdom, by its memorandum and Articles of Association. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities are to advance public education in the history and development of railway transportation systems in particular by the preservation, operation, and exhibiting of railway vehicles, systems and equipment and to foster and support heritage railway preservation. In pursuit of this object, the principal activity of the Trust is operating a heritage railway line and museum that provides passengers with the opportunity to experience and learn about rail travel as it was prior to 1966. In doing so the Trust, wherever possible, follows the custom and practice of the Great Western Railway or that of British Railways (Western Region).

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Funds structure

Unrestricted funds are available to use to further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which have been set aside by the Trustees to fund particular future activities of the charity. Revaluation reserve is part of unrestricted funds created from unrealised gains in fixed assets. Restricted funds are donated for particular areas of the charity work or specific projects undertaken.

Transfers between funds are made in the following circumstances:

Where expenditure in accordance with a restricted fund exceeds the balance of the restricted fund, the deficit is financed from general unrestricted funds.

Where the Trustees have designated funds for a specific purpose funds are transferred to / from general unrestricted funds.

The element of the depreciation charge on revalued fixed assets that exceeds the historic cost charge is released from the revaluation reserve to the general unrestricted fund.

1. ACCOUNTING POLICIES *(continued)*

Funds structure *(continued)*

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, principally issued share capital. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing or payment will have been received. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met, then these amounts are deferred.

1. ACCOUNTING POLICIES *(continued)*

Incoming resources *(Continued)*

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred. Where applicable income is recognised net of VAT.

In respect of trading contracts for specific customers, income represents the value of work done in the year, including estimates of amounts not invoiced based upon the stage of completion of the contract.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest

income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Endowment funds are in respect of share capital are permanent and non-distributable.

Donations / legacies of shares in South Devon Railway Trust: These are recognised in the Statement of Financial Activities at their current value at time of donation. Due to the charitable nature of the company these shares are not entitled to an income and as such the market value is considered to be at the issue price of £1 each. The Trust is not permitted to hold its own shares so any shares received are immediately cancelled.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds include the costs of running and operating rail services and related support costs;
- Expenditure on charitable activities include the costs of commercial trading and support costs relating to the café, shop and engineering sales; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Governance costs represent the costs of financing and the cost of complying with constitutional and statutory requirements.

1. ACCOUNTING POLICIES *(continued)*

Pension costs
Pension costs previously paid by SDRT have been transferred to SDRL.

Investments
Investments in subsidiary undertakings are included at historical cost

Due to the insignificant nature of other investments these have been included at cost.

Amortisation
Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life. The intangible asset is considered to have an operating life of 20 years from acquisition of the statutory power to own and operate the Railway, which became effective on 30 December 2009

Fixed assets
All fixed assets are initially recorded at cost, although assets held in 2000 are included at their valuation fixed under the transitional provisions of FRS15 and FRS102.

Depreciation
Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	-	Land nil
	-	Buildings 30 or 50 years straight line
Track and infrastructure	-	Between 10 and 50 years straight line
Workshop and other equipment	-	25% reducing balance
Locomotives	-	10 years straight line
Rolling stock	-	10 years straight line

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Tax
The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Going concern
The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

2 VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £	Total Funds 2024 £
Gifts	**11,725**	**660**	**12,385**	3,330
Legacies	**239,798**	**-**	**239,798**	11,000
Grants	**-**	**-**	**-**	-
	251,523	**660**	**252,183**	14,330

3 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Total Funds 2025 £	Total Funds 2024 £
Management charges / rent receivable	**80,000**	**-**	80,000
Other income	**-**	**-**	-
	80,000	**-**	80,000

4 INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2025 £	Total Funds 2024 £
Bank interest receivable	**376**	**-**	-
	376	**-**	-

5 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £	Total Funds 2024 £
Railway	**107,225**	**13,865**	**121,090**	194,065
Support costs - Railway	**26,631**	**-**	**26,631**	44,679
	133,856	**13,865**	**147,721**	238,744

6 ANALYSIS OF OTHER EXPENDITURE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £	Total Funds 2024 £
Governance costs	**4,524**	**-**	**4,524**	2,625
	4,524	**-**	**4,524**	2,625

7 ALLOCATION OF SUPPORT COSTS

	Raising Funds	Railway	Total 2025	Total 2024
	£	£	£	£
Finance	-	2,500	2,500	5,125
Amortisation	-	-	-	16,554
Office costs / Overheads	-	23,383	23,383	23,000
Other	-	748	748	-
Total	-	26,631	26,631	44,679

The Charities activities are split into different entities and therefore costs are recorded separately and so do not require apportionment. The Charity does not expend money in an attempt to raise funds so it is not appropriate to allocate costs to raising funds.

8 GOVERNANCE COSTS

	Note	2025	2024
		£	£
Auditor's remuneration	10	4,524	2,625
		4,524	2,625

9 NET INCOME/(EXPENDITURE) FOR THE YEAR ENDED 31 DECEMBER 2025

Net income is stated after charging / (crediting):

	2025	2024
	£	£
Depreciation of tangible fixed assets	110,122	172,412
(Gain) / loss on sale of tangible fixed assets	-	(25,000)
Amortisation of other intangible assets (included within note 14)	-	16,554

10 AUDITOR'S REMUNERATION

	2025	2024
	£	£
The auditor's remuneration amounts to an audit fee	4,524	2,625

11 STAFF COSTS AND EMOLUMENTS

	2025	2024
	£	£
Wages and salaries	-	-
Social security costs	-	-
Defined contribution pension costs	-	-
	-	-

Particulars of employees:

The average number of employees and full time equivalent (FTE), of the charity, during the year	-	-
No employees received total employee benefits (excluding employers pension costs) of more than £60,000 during the year	-	-

The charity receives the benefit of volunteer services, these are not quantified in the accounts as this cannot be reliably quantified.

All of the Board of Trustees are volunteers.

12 TRUSTEES' REMUNERATION

Other than travel expenses reimbursed in exceptional circumstances, none of the Trustees received any remuneration, which is in accordance with the Charity's governing document.

	2025	2024
	£	£
Expenses reimbursed to Trustees in the year	**-**	-

13 INTEREST PAYABLE AND SIMILAR CHARGES

	2025	2024
	£	£
Bank loans and overdrafts	**5,558**	38,472
Loan stock	**3,174**	6,279
Other loans	**2,236**	1,235
HP interest	**-**	667
	10,968	46,653

14 INTANGIBLE FIXED ASSETS

	Transport & Works Act Order
	£
COST	
At 1 January 2025 and 31 December 2025	**55,183**
AMORTISATION	
At 1 January 2025	**55,183**
Charge for the year	**-**
At 31 December 2025	**55,183**
NET BOOK VALUE	
At 31 December 2025	**-**
At 31 December 2024	**-**

Transport & Works Act Order: This is the capitalised costs of acquiring the statutory power to own and operate the Railway, which became effective on 30 December 2009.

15 TANGIBLE FIXED ASSETS

	Brought forward 1 Jan 25	Additions	Disposals	Carried forward 31 Dec 25
COST				
Freehold Land and buildings	1,738,638	-	-	**1,738,638**
Track and infrastructure	1,624,353	-	-	**1,624,353**
Workshop & Other Equipment	817,445	-	-	**817,445**
Locomotives	948,042	-	-	**948,042**
Rolling stock	533,185	-	-	**533,185**
	5,661,663	-	-	**5,661,663**

	Brought forward 1 Jan 25	Charges	Disposals	Carried forward 31 Dec 25
DEPRECIATION				
Freehold Land and buildings	217,065	18,140	-	**235,205**
Track and infrastructure	774,461	42,832	-	**817,293**
Workshop & Other Equipment	694,107	15,738	-	**709,845**
Locomotives	595,497	18,963	-	**614,460**
Rolling stock	253,336	14,449	-	**267,785**
	2,534,466	110,122	-	**2,644,588**

	Brought forward 1 Jan 25	Carried forward 31 Dec 25
NET BOOK VALUE		
Freehold Land and buildings	1,521,573	**1,503,433**
Track and infrastructure	849,892	**807,060**
Workshop & Other Equipment	123,338	**107,600**
Locomotives	352,545	**333,582**
Rolling stock	279,849	**265,400**
	3,127,197	**3,017,075**

In respect of assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2025 £	2024 £
NBV of revalued tangible fixed assets:		
Net book value at end of year	**418,329**	418,329
Historical cost:		
At 1 January 2025 and 31 December 2025	**578,411**	578,411
Depreciation:		
At 1 January 2025	**340,172**	340,172
Charge for the year	**-**	-
At 31 December 2025	**340,172**	340,172
Net historical cost value:		
At 31 December 2025	**238,239**	238,239
At 31 December 2025	**238,239**	238,239

The net historic cost value per class of asset is:

	2025 £	2024 £
Track and infrastructure	**22,591**	22,591
Workshop & Other Equipment	**2,685**	2,685
Locomotives	**192,016**	192,016
Rolling stock	**20,947**	20,947
	238,239	238,239

16 INVESTMENTS

	2025 £	2024 £
Cost:		
At 1 January 2025 and 31 December 2025	**370,516**	370,516

Analysis of investments at 31 December 2025 between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £	Total Funds 2024 £
Other investments				
UK Related undertakings	**352,184**	**-**	**352,184**	352,184
Other UK unlisted Securities	**18,332**	**-**	**18,332**	18,332
	370,516	**-**	**370,516**	370,516

The Charity holds shares in the following companies incorporated in England and Wales, which are included in these consolidated accounts:

South Devon Railway Limited (FCA number 03711951) - this company operates the shop and kiosk at the Buckfastleigh railway station. The Charity holds 100% of the Ordinary A shares and 17.88% of the Ordinary shares. In accordance with the constitution of South Devon Railway Limited, the Charity is intitled to one vote, so South Devon Railway Trust does not exercise any control over South Devon Railway Limited and therefore this company is not consolidated into group accounts.

5526 Limited (company number 02775522) - this company owns locomotive 5526, which is leased to the Charity rent free. The Charity holds 76.1% of the ordinary shares and voting rights. 5526 Limited is currently dormant and so is not consolidated into group accounts.

17 DEBTORS

	2025	2024
	£	£
Trade debtors	**-**	-
Amounts owed by associated undertakings	**-**	-
Other debtors	**121,080**	12,908
Prepayments and accrued income	**257,242**	30,167
	378,322	43,075

Amounts owed by group undertakings are interest free and repayable on demand.

18 CREDITORS: Amounts falling due within one year

	2025	2024
	£	£
Bank loans and overdrafts	**8,723**	143,458
Amounts owed to associated undertakings	**266,444**	16,416
Taxation deducted	**839**	6,449
Other loans	**45,506**	130,000
Other creditors	**4,790**	4,790
Accruals	**12,340**	9,392
Loan stock	**49,000**	20,000
HP agreements	**-**	-
	387,642	330,505

The following liabilities disclosed under creditors falling due within one year are secured by the

	2025	2024
	£	£
Bank loans and overdrafts	**8,723**	143,458
HP agreements	**-**	-
	8,723	143,458

The bank finance is secured by a first legal charge over the property known as Stations, buildings and land at Buckfastleigh to Totnes Railway Line and an unlimited debenture incorporating a fixed and floating charge.

The hire purchase agreements are secured on the assets financed.

Amounts owed by/to group or associated undertakings are interest free and repayable on demand.

19 CREDITORS: Amounts falling due after more than one year

	2025	2024
	£	£
Loan stock	**19,000**	121,000
Bank loans and overdrafts	**82,879**	89,370
Other loans	**50,000**	50,047
	151,879	260,417

The following liabilities disclosed under creditors falling due after more than one year are secured by the charity:

	2025	2024
	£	£
Bank loans and overdrafts	**82,879**	89,370
	82,879	89,370

Details of securities are disclosed above in the note for amounts due in less than one year.

The following aggregate liabilities are repayable by instalments, and are due for repayment after more than five years from the balance sheet date:

	2025	2024
	£	£
Bank loans and overdrafts	**35,313**	44,036

The bank loans are repayable by instalments. There are two separate loans, interest is payable 1.75% above Bank of England base rate.

20 CREDITORS - CAPITAL INSTRUMENTS

Creditors include finance capital which is due for repayment as follows:

	2025	2024
	£	£
Amounts repayable:		
In one year or less or on demand	**103,229**	293,458
In more than one year but not more than two years	**21,723**	127,002
In more than two years but not more than five years	**94,843**	89,379
In more than five years	**35,313**	44,036
	255,108	553,875

The above liabilities comprise bank loans and loan stock.

21 ENDOWMENT FUNDS

	Balance at 1 Jan 2025	**Incoming resources**	**Outgoing resources**	**Transfers**	**Balance at 31 Dec 2025**
Endowment Funds & Capital	119,149	-	-	-	**119,149**

22 RESTRICTED INCOME FUNDS

	Balance at 1 Jan 2025	Incoming resources	Outgoing resources	Balance at 31 Dec 2025
Dumbleton Hall RTSA fund	35,656	-	-	**35,656**
Hawksworth 2180 fund	400	-	-	**400**
GW development fund	2,450	660	-	**3,110**
Foundation fund	5,155	-	-	**5,155**
Restoration of loco 6412	4,600	-	-	**4,600**
	48,261	660	-	**48,921**
Depreciating funds:				
Nursery Pool Bridge - Heritage lottery fund	109,740	-	(3,690)	**106,050**
Heritage Rolling Stock Conservation Centre fund	60,679	-	(1,458)	**59,221**
1420 fund	26,852	-	-	**26,852**
Hawksworth 2180 fund	51,045	-	-	**51,045**
GW development fund	25,935	-	(540)	**25,395**
Gronk fund	23,900	-	-	**23,900**
Totnes signalling fund	7,010	-	(2,169)	**4,841**
Toilet block fund	1,048	-	(350)	**698**
Training building fund	800	-	(800)	**-**
Station field fund	79,233	-	-	**79,233**
Site development fund	77,718	-	(3,388)	**74,330**
S & T Store in Totnes fund	1,880	-	(470)	**1,410**
Play area	5,000	-	(1,000)	**4,000**
	519,101	660	(13,865)	**505,896**

The restricted funds consist of the following:

Dumbleton Hall RTSA fund:
For the restoration or ongoing maintenance of locomotive 4920.

Hawksworth 2180 fund:
For the restoration or ongoing maintenance of coach Hawksworth 2180.

GW development fund:
Expenditure on any project relating to the Great Western Railway.

Foundation fund:
For the support of maintenance and improvements on infrastructure and rolling stock.

Restriction of Loco 6412:
For the restoration or ongoing maintenance of locomotive 6412.

DEPRECIATING FUNDS:

These funds have already been expended on fixed assets; the funds will decrease as these assets depreciate.

Nursery Pool Bridge:
Heritage lottery fund. This relates to the grant given by HLF as part of the rebuilding of Nursery Pool bridge. This asset is being depreciated over a fifty year period and the restricted fund is being utilised over the same period.

Heritage Rolling Stock Conservation Centre:
For the construction of the Heritage Rolling Stock Conservation Centre.

1420 fund:
For the restoration or ongoing maintenance of locomotive 1420.

Hawksworth 2180 fund:
For the restoration or ongoing maintenance of coach Hawksworth 2180.

GW development fund:
Expenditure on any project relating to the Great Western Railway.

Gronk fund:
To cover the restoration and depreciation costs of the new 09 shunter.

Totnes signalling fund:
To be used on the signalling at and around the station at Totnes.

Toilet block fund:
To be used on the replacement toilet block at Buckfastleigh station.

Training building fund:
For the construction of a building to be used for training.

Station field fund:
For the purchase of the station field.

Site development fund:
For the development of the sit at and around Buckfastleigh station.

S & T Store in Totnes fund:
For the building and maintenance of the S & T Store in Totnes.

Play area:
For the refurbishment of the play area in the grounds of Buckfastleigh station.

Endowment funds and capital:

This is the issued share capital of the company as follows:

	2025 £	2024 £
Allotted, called up and fully paid 118,187 Ordinary shares of £1 each	**118,187**	118,187
Capital redemption reserve	**475**	475
487 Promoter shares of £1 each	**487**	487
	119,149	119,149

23 UNRESTRICTED INCOME FUNDS

	Balance at 1 Jan 2025	**Incoming resources**	**Outgoing resources**	**Transfers**	**Balance at 31 Dec 2025**
Designated Fund – Revaluation fund	158,659	**-**	**-**	**-**	158,659
General funds	2,267,493	**331,899**	**(138,380)**		2,461,012
	2,426,152	331,899	(138,380)	-	2,619,671

Revaluation reserve:

This represents the increase in value of fixed assets over original cost. The reserve is being released to the general unrestricted fund to match the element of depreciation charge in excess of the historic cost charge.

24 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed assets	**Investments**	**Net current assets/ (liabilities)**	**Long term liabilities**	**Total**
Restricted Income Funds:					
Endowment Funds & Capital	-	**-**	**119,149**	**-**	119,149
Restricted Funds	456,975	**-**	**48,921**	**-**	505,896
	456,975	-	168,070	-	625,045
Unrestricted Income Funds:					
Designated Funds	158,659	**-**	**-**	**-**	158,659
General Funds	2,401,441	**370,516**	**(159,066)**	**(151,879)**	2,461,012
	2,560,100	370,516	(159,066)	(151,879)	2,619,671
Total Funds	**3,017,075**	**370,516**	**9,004**	**(151,879)**	**3,244,716**

25 RECONCILIATION OF NET INCOME / EXPENDITURE TO NET CASHFOW FROM OPERATING ACTIVITIES

	2025 £	2024 £
Net income for year	**180,314**	(147,039)
Interest receivable	**(376)**	-
Interest payable	**10,968**	46,653
Depreciation and impairment of tangible fixed assets	**110,122**	172,412
Amortisation and impairment of intangible fixed assets	**-**	16,554
(Profit) / loss on disposal of tangible fixed assets	**-**	(25,000)
(Increase)/Decrease in debtors	**(335,247)**	106,161
Increase in creditors	**247,366**	(37,046)
Net cash flow from operating activities	**213,147**	132,695

26 ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2025	Cash flows	At 31 Dec 2025
Cash and cash equivalents	(114,536)	96,212	**(18,324)**
Debt due within 1 year	293,458	(190,229)	**103,229**
Debt due after 1 year	260,417	(108,538)	**151,879**
Hire purchase agreements	-	-	**-**
	553,875	(298,767)	**255,108**
Net Debt	**439,339**	**(202,555)**	**236,784**

27 RELATED PARTIES

The Charity is controlled by the Trustees of South Devon Railway Locomotive Support Group through this and the previous year. The ultimate controlling party is R J Elliott ACIB, who is the chairman of Dumbleton Hall Preservation Society.

The following directors hold loan stock

	2025 £	2024 £
C A Williams	**-**	30,000

Interest is payable at 3.5% or 2.75%.

The charity has taken interest free loans from Directors, the balance outstanding at 31 December	**-**	18,000
Transactions with South Devon Railway Limited (SDRL), an associated charity.		
Loan to / (from) SDRL. The loan is interest free and repayable on	**(266,444)**	(16,416)
Rent received from SDRL	**80,000**	80,000