

The Isle of Wight Railway Company Limited

Audited Financial Statements

For the Year Ended 31 December 2023

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

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THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

CHARITY INFORMATION

REGISTERED OFFICE AND PRINCIPAL ADDRESS	The Railway Station Havenstreet Isle of Wight PO33 4DS
COMPANY NO	1068690 (England and Wales)
CHARITY NO	280918

DIRECTORS AND TRUSTEES

The directors of the charitable company ("the charity") are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. The trustees serving during the year and since the year end were as follows:

Anthony Barry	George Felton	Peter Taylor (Chairman)
Lorraine Buckman	Simon Futcher	Peter Vail
Stephen Castle	Marc Morgan-Huws	Iain Whitlam
Graham Deegan	Stephen Oates	John Woodhams
Stuart Duddy	Stephen Smart	
Isaac Farnbank	Malcolm Smith	

CHANGES IN TRUSTEES DURING AND AFTER THE YEAR

John Woodhams	Appointed 17 June 2023
Mark Flynn	Appointed 2 January 2024
Stephen Castle	Resigned 17 June 2023
Marc Morgan-Huws	Resigned 11 December 2023

SECRETARY Iain Whitlam

FORM OF ACCOUNTS Consolidated accounts of The Isle of Wight Railway Company Limited and IWR Trading Limited.

CHARITABLE STATUS The company is a UK Registered Charity No. 280918

BANKERS Lloyds Bank PLC
22 St Thomas Square
Newport
Isle of Wight
PO30 1SQ

SOLICITORS Eldridges
36-37 St James' Street
Newport
Isle of Wight
PO30 1LG

REGISTERED AUDITORS Bright Brown Limited
Exchange House
St Cross Lane
Newport
Isle of Wight
PO30 5BZ

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their annual report with the financial statements of the group, parent company and its subsidiary undertakings for the year ended 31 December 2023 which has been prepared in accordance with statutory requirements (FRS102 and FRS 102 SORP) and the charitable company's governing document.

The legal and administrative information set out on page 2 forms part of this report.

GOVERNANCE

The Isle of Wight Railway Company Limited is constituted under its articles and memorandum and is a registered charity no. 280918. It was incorporated on 13th August 1972. Its subsidiary IWR Trading Limited was incorporated 1st 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.

APPOINTMENT OF TRUSTEES

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

An induction is provided to new trustees by the company secretary. More detailed training of trustees is something that the governance committee is seeking to develop during 2024/25.

ORGANISATIONAL STRUCTURE

The Board has the responsibility for establishing policy. Delivery of these policy decisions is the responsibility of the General Manager who works with the charitable company's Heads of Department who cover the following operations: rolling stock, rail infrastructure, estates, health and safety, operating, retail and catering, commercial, heritage and learning, finance and administration. All staff and volunteers working within these departments are responsible to their Head of Department. A management structure has been designed whereby all heads of department report to the General Manager, who is responsible to the Board. All new trustees are given induction training, and training during the year, on the work of the charity and on specific issues.

The General Manager also oversees the charity's wholly owned UK trading subsidiary, through which the shop and catering outlets are operated.

The general manager during the year was S Backhouse who left in December 2023 and was succeeded by M Morgan-Huws after his resignation from the board of trustees in December.

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.

OBJECTIVES AND ACTIVITIES

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

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 - CONTINUED

ACHIEVEMENTS AND PERFORMANCE

The Railway had a successful year of trading and operation in 2023.

There were no significant safety or compliance events. The Railway passed an inspection by the Office of Road and Trading was strong against a depressed market, outperforming many of our peers in the visitor market and heritage railway sector. Visitor numbers rose by around 3% and revenues strongly to produce an increased trading surplus and to allow an increase in balances and reserves. Volunteer and membership numbers rose throughout the year.

The year saw the starting and continuance of a number of significant projects to support the preservation and education objectives of the charity – the Smallbrook Station Improvement Project, the restoration of the E1 locomotive and the Wootton Goods Shed and Signalling projects.

The Railway engaged with 103,000 members of the public who visited the Railway in 2023, the largest number in any year to date.

The year provided a solid base for the Railway heading into 2024, allowing continued capital investment in the year ahead aimed at providing further financial stability.

VOLUNTEERS, DONATIONS & BEQUESTS

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

PUBLIC BENEFIT

The Board of Trustees understands the requirements as set out in Section 17(5) of the Charities Act 2011 and takes the view that The Isle of Wight Railway Company Limited completely satisfies all guidance issued by the Charity Commission with regard to public benefit.

RESULTS FOR THE FINANCIAL YEAR

Total income for both the charity and subsidiary for the year amounted to £3,161,268 (2022: £2,681,873). Administration and event costs amounted to £624,407 (2022: £497,859), shop, catering and show expenditure amounted to £667,200 (2022: £608,541), expenditure on running and maintaining the Railway amounted to £1,449,970 (2022: £1,267,207) The overall surplus for the year amounted to £419,691 (2022: £310,592).

RESERVES POLICY

It is the policy of the charitable company to maintain unrestricted funds, which are the free reserves of the charitable company, at a level which equates to approximately four months unrestricted expenditure in order to avoid operating cashflow problems. The overall reserves of the group held at 31 December 2023 amounted to £5,672,383 of which £149,175 are held for restricted purposes. Reserves of £3,300,109 are held as fixed assets including investments, £931,750 of reserves relating to legacies received have been designated for specific purposes by trustees, and £156,561 has been designated towards work required for the Train Story 2 project. This leaves £1,134,788 of free unrestricted reserves.

This level of free reserves is considered by the trustees to be sufficient to meet the reserves policy of approximately four months' expenditure.

Of designated funds approximately £150,000 will be spent between 2024 and 2026 on the completion of the E1 restoration. The remainder is held in expectation of property purchases at short notice, and as yet planned but unscheduled building projects.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 - CONTINUED

RISK MANAGEMENT

The trustees have examined the major strategic, business and operational risks which the charitable company faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen those risks.

The trustees are conscious of the risks posed by economic uncertainty and the increased cost of living. They are also alive to the recent history of significant volatility and increases in the price of utilities and coal. The Trustees have adopted a strategy to continue to manage costs robustly, while investing in revenue generation through additional and improved marketing and capital investment in facilities to generate increased secondary spend. Work is advanced to increase the volume of proactive fundraising and to identify low risk investment in further revenue

PRINCIPAL FUNDING SOURCES

The charity's principal funding sources continue to be from donations and membership income, shop, catering, ticket sales and other special events income. The charity has also benefited from grant funding. Once the costs of generating these funds has been deducted, the majority of the remaining funds are used in support of the key objectives of the charity, that is the maintenance and running of the Railway.

FUNDRAISING

The railway does not employ or contract a professional fundraiser or commercial participator, but does employ a Partnerships and Fundraising Officer who has oversight and strategic responsibility for fundraising. There have been no complaints in respect of our fundraising activities and no undertakings are in place in relation to our fundraising activities. We fundraise in an ethical and non-pressured manner.

INVESTMENT POLICY

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

FUTURE PLANS

Looking ahead, the Trustees have begun a restructuring of the organisation in terms of staffing and management, to deliver a more strategic and ,management capacity to plan proactively to meet future potential headwinds and risks, alongside developing opportunities to secure the financial and organisational sustainability fo the Railway

COMPANY SUSTAINABILITY STATEMENT

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

It aims to do so by minimising its consumption of natural resources, effective use of those resources, reduction, reuse and recycling of waste, reducing its impact on the natural environment, promoting biodiversity on its land holdings and minimising pollution in all forms arising from its operations.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 - CONTINUED

TRUSTEES' RESPONSIBILITIES

Company law requires the trustees to prepare financial statements for each financial year in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue;
- determine how amounts are presented within items in the statement of financial activities and balance sheet, having regard to the substance of the reported transactions or arrangements, in accordance with generally accepted accounting principles or practice.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities as well as for the maintenance and integrity of the corporate and financial information included on the charity's website.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

By Order of the Board

.....
PETER TAYLOR (CHAIRMAN)

Date:

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

OPINION

We have audited the financial statements of The Isle of Wight Railway Company Limited (the 'parent charitable company' and its subsidiary (the 'charitable group') for the year ended 31 December 2023 which comprise the consolidated statement of financial activities (incorporating an income and expenditure account), consolidated balance sheet, parent charitable company balance sheet, consolidated statement of cashflows, parent charitable company statement of cashflows and notes to the financial statements, including a summary of 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 2023 and of the charitable groups' incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 group 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditors report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

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REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ISLE OF WIGHT RAILWAY COMPANY LIMITED - CONTINUED

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charitable group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- The trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees report and from the requirement to prepare a strategic report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 5 in the trustees' report, 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 group's and the parent 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 company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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. In accordance with ISAs (UK) the auditor exercises professional judgement and maintains professional skepticism throughout the audit. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

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REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ISLE OF WIGHT RAILWAY COMPANY LIMITED - CONTINUED

As part of planning our audit we determined materiality and assessed the risks of material misstatement in the financial statements. Based on our understanding of the charitable company and the group we identified the principal risks to both the charitable company and the group as management override of controls, risk of misclassification of expenses between capital and revenue, and potential for fraud in respect of revenue recognition particularly in respect of cash income.

Audit procedures performed by the engagement team included:

- A review of journals made in preparing the final results for preparation of the accounts, and a review of accounting estimates made by management.
- Review to ensure there are no transactions that have no apparent business or charitable purpose, or that have been processed outside the usual accounting systems.
- Extension of the sample sizes for audit testing carried out in relation to cash income, and consideration and testing of controls in place around this income.
- Extension of sample sizes for audit testing carried out around additions, and review of additions and repairs costs to ensure they are appropriately classified.
- Discussions with management, including consideration of any known or suspected instances of non-compliance with laws and regulations or fraud.

There are inherent limitations in the audit procedures described above, and the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we are to become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment or intentional misrepresentations.

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

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

GAVIN KELLY, ACA, FCCA (SENIOR STATUTORY AUDITOR)

for and on behalf of Bright Brown Limited Chartered Accountants

Statutory Auditor

Exchange House

St Cross Lane

Newport

Isle of Wight

PO30 5BZ

Date:

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted Funds £	Restricted Funds £	2023 Total funds £	2022 Total funds as restated £
INCOME AND ENDOWMENTS FROM					
Voluntary Income					
Donations		166,341	77,055	243,396	232,270
Grants	3	17,789	-	17,789	6,470
Legacies		427,675	-	427,675	205,316
Charitable activities					
Ticket sales		1,253,842	-	1,253,842	1,144,575
Membership subscriptions	5	33,992	8,610	42,602	59,209
Other trading activities					
Special events		367,601	-	367,601	334,220
Shop, catering and show income		747,703	-	747,703	685,152
Other income		28,850	-	28,850	10,959
Investments					
Interest received	4	31,810	-	31,810	3,702
Total		3,075,603	85,665	3,161,268	2,681,873
EXPENDITURE ON					
Raising Funds					
Administration and event costs	6	615,067	9,340	624,407	497,859
Shop, catering and show expenditure	6	667,200	-	667,200	608,541
Charitable activities					
Running and maintaining the Railway	6	1,400,814	49,156	1,449,970	1,267,207
Total		2,683,081	58,496	2,741,577	2,373,607
Unrealised gains/(losses) on investments	11	-	-	-	2,326
NET INCOME/(EXPENDITURE)		392,522	27,169	419,691	310,592
Transfer between funds	15a	57,658	(57,658)	-	-
Net movement in funds		450,180	(30,489)	419,691	310,592
RECONCILIATION OF FUNDS					
Total funds brought forward		5,073,028	179,664	5,252,692	4,942,100
TOTAL FUNDS CARRIED FORWARD		5,523,208	149,175	5,672,383	5,252,692

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes on pages 17 to 30 form part of these financial statements.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

Company No: 1068690

Charity No: 280918

**CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023		2022 as restated	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10a		3,082,062		2,872,693
Heritage assets	10c		218,047		197,596
Investments	11		-		-
			<u>3,300,109</u>		<u>3,070,289</u>
CURRENT ASSETS					
Stock	12	127,997		123,069	
Debtors	13	192,366		167,720	
Cash at bank and in hand		<u>2,291,019</u>		<u>2,039,951</u>	
		2,611,382		2,330,740	
CREDITORS					
Amounts falling due within one year	14	<u>(239,108)</u>		<u>(148,337)</u>	
NET CURRENT ASSETS			2,372,274		2,182,403
NET ASSETS			<u><u>5,672,383</u></u>		<u><u>5,252,692</u></u>
FUNDS					
Unrestricted funds	15a		5,523,208		5,073,028
Restricted funds	15a		149,175		179,664
			<u><u>5,672,383</u></u>		<u><u>5,252,692</u></u>

There are no shareholders' funds as the company is limited by guarantee.

These financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Trustees on and were signed on its behalf by:

.....
PETER TAYLOR (CHAIRMAN)

The notes on pages 17 to 30 form part of these financial statements.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

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Company No: 1068690

Charity No: 280918

**PARENT CHARITABLE COMPANY BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023		2022	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10b		3,039,360		2,830,524
Heritage assets	10c		218,047		197,596
Investments	11		<u>10,000</u>		<u>10,000</u>
			3,267,407		3,038,120
CURRENT ASSETS					
Stock	12	36,423		31,970	
Debtors	13	245,010		206,568	
Cash at bank and in hand		<u>2,195,957</u>		<u>1,967,305</u>	
		2,477,390		2,205,843	
CREDITORS					
Amounts falling due within one year	14		<u>(221,823)</u>		<u>(130,252)</u>
NET CURRENT ASSETS			2,255,567		2,075,591
NET ASSETS			<u><u>5,522,974</u></u>		<u><u>5,113,711</u></u>
FUNDS					
Unrestricted funds	15b		5,373,799		4,934,047
Restricted funds	15b		149,175		179,664
			<u><u>5,522,974</u></u>		<u><u>5,113,711</u></u>

There are no shareholders' funds as the company is limited by guarantee.

These financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Trustees on and were signed on its behalf by:

.....
PETER TAYLOR (CHAIRMAN)

The notes on pages 17 to 30 form part of these financial statements.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

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CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	698,921	496,417
Net cash provided by (used in) operating activities		<u>698,921</u>	<u>496,417</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(479,663)	(417,060)
Proceeds on sale of tangible fixed assets		-	1,500
Proceeds on sale of investments		-	4,307
Interest received		31,810	3,702
Net cash provided by (used in) investing activities		<u>(447,853)</u>	<u>(407,551)</u>
Net cash provided by (used in) financing activities			
Repayment of loan capital		-	(229,167)
Net cash provided by (used in) financing activities		<u>-</u>	<u>(229,167)</u>
Change in cash and cash equivalents in the reporting period		251,068	(140,301)
Cash and cash equivalents at the beginning of the reporting period		<u>2,039,951</u>	<u>2,180,252</u>
Cash and cash equivalents at the end of the reporting period		<u><u>2,291,019</u></u>	<u><u>2,039,951</u></u>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

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NOTES TO THE CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

1 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£	£
Net income for the reporting period (as per the statement of financial activities)	419,691	310,592
Adjustments for:		
Depreciation charges	241,246	223,439
Loss on disposal of assets	8,597	3,263
interest received	(31,810)	(3,702)
Unrealised losses/(gains) on investments	-	(2,326)
Decrease/(increase) in stock	(4,928)	(14,447)
Decrease/(increase) in debtors	(24,646)	(34,114)
Increase/(decrease) in creditors	90,771	13,712
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	698,921	496,417
	<hr/>	<hr/>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

PARENT CHARITABLE COMPANY CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	664,181	652,645
Net cash provided by (used in) operating activities		<u>664,181</u>	<u>652,645</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(466,163)	(406,318)
Proceeds on sale of tangible fixed assets		-	1,500
Proceeds on sale of investments		-	4,307
Interest received		30,634	3,614
Net cash provided by (used in) investing activities		<u>(435,529)</u>	<u>(396,897)</u>
Net cash provided by (used in) financing activities			
Repayment of loan capital		-	(229,167)
Net cash provided by (used in) financing activities		<u>-</u>	<u>(229,167)</u>
Change in cash and cash equivalents in the reporting period		228,652	26,581
Cash and cash equivalents at the beginning of the reporting period		<u>1,967,305</u>	<u>1,940,724</u>
Cash and cash equivalents at the end of the reporting period		<u><u>2,195,957</u></u>	<u><u>1,967,305</u></u>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE PARENT CHARITABLE COMPANY CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

1 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£	£
Net income for the reporting period (as per the statement of financial activities)	409,263	379,161
Adjustments for:		
Depreciation charges	233,708	215,995
Loss on disposal of assets	3,167	2,335
Interest received	(30,634)	(3,614)
Unrealised losses/(gains) on investments	-	(2,326)
Decrease/(increase) in stock	(4,453)	(14,596)
Decrease/(increase) in debtors	(38,442)	62,804
Increase/(decrease) in creditors	91,572	12,886
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	664,181	652,645

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 GENERAL INFORMATION

The Isle of Wight Railway Company Limited is a private company limited by guarantee and incorporated in England. The financial statements are presented in Sterling, which is the functional currency of the charitable group. There are no material uncertainties about the charity's ability to continue. The Isle of Wight Railway Company Limited constitutes a public benefit entity as defined by FRS 102.

2 ACCOUNTING POLICIES

a Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006 and the Charities Act 2011. The financial statements have been prepared under the historical cost convention as modified by the revaluation of listed fixed asset investments.

b Basis of consolidation

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.

c 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 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.

d Property, Plant and Equipment

Property, plant and equipment has been valued at cost less accumulated depreciation.

e Depreciation

Depreciation is provided on the following tangible fixed assets, at rates calculated to write off the cost of each asset over its anticipated useful life using the reducing balance method unless otherwise stated.

Freehold property	3% per annum
Permanent way	5% per annum
Motor vehicles	25% per annum
Tools and miscellaneous equipment	25% per annum
No. 38, Barclay 0-6-0T <i>Ajax</i>	10% per annum on cost from date brought into service
Ivatt Engines 46447 and 41313	10% per annum on cost from date brought into service
Drewry Railcar	5% per annum on cost from date brought into service
Office equipment	20% per annum
Improvements to property	20% per annum
Assets in the course of construction	Not depreciated until the asset is brought into use

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 ACCOUNTING POLICIES (CONTINUED)

f Investments

Investments in listed entities are initially recognised at cost, or where such assets are donated at the fair value at the date ownership passed to the charity. Subsequently, listed investments are measured at fair value through the profit or loss account. Fair value will be determined by the active market price.

Investments in unlisted entities are measured at cost less amortisation as no fair value can be reliably determined.

g Stocks

Stock is valued at the lower of cost and net realisable value. In determining the value, cost is the cost incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

h Income

Voluntary Income

Voluntary income is recognised in the Statement of Financial Activities once the charitable company has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

For donations this is generally upon receipt. In the individual company accounts donations from the trading subsidiary are also recognised on receipt.

For legacies this is when the charity is notified of an impending distribution or receipt of a legacy, provided the value of the incoming resources can be measured with sufficient reliability.

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. Where no such conditions exist the income is recognised when it is received.

Charitable and Other Trading Activities

Income from trading activities, including travel tickets, special events tickets, shop, catering and shows income, is recognised, net of VAT and all other sales taxes when the goods are delivered or services are provided.

Membership income is recognised evenly over the period the membership relates to.

Investment Income

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.

i Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2 ACCOUNTING POLICIES (CONTINUED)

j Taxation

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

k Fund Accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

l Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

m Creditors

Short term creditors are measured at transaction (invoice) price.

Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

n Going Concern

The accounts are prepared on a going concern basis. There are no uncertainties about the charitable company's ability to continue as a going concern.

	Unrestricted 2023 £	Restricted 2023 £	Total funds 2023 £	Total funds 2022 £
3 GRANTS RECEIVABLE				
Other grants	17,789	-	17,789	6,470
	<u>17,789</u>	<u>-</u>	<u>17,789</u>	<u>6,470</u>
4 INVESTMENT INCOME				
Interest from UK bank accounts	<u>31,810</u>	<u>-</u>	<u>31,810</u>	<u>3,702</u>

5 MEMBERSHIP SUBSCRIPTIONS

Membership subscriptions are recognised evenly over 12 months from the date the membership was taken out. It has been identified that these have not been deferred fully into the following year where the membership extends past the year end in previous years accounts. The effect is not sufficient to require an adjustment to past year's results but as a result of updating the calculation this year membership income appears lower than it otherwise would based on actual membership numbers.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

6 EXPENDITURE (Continued)

It has been identified that Volunteer department expenses was being included within Repairs and maintenance cost and this has now been shown in its own heading under Admin and events costs. The comparatives have been updated to reflect this resulting in last years Repairs and Maintenance costs being reduced by the £6,411 now shown within Volunteer department expenses above.

Balances on the Statement of Financial Activity have also been restated to reflect that this adjustment reduces Charitable costs and increases Admin and events costs for the 2022 year by £6,411.

	2023	2022
	£	£
7 GROUP OPERATING SURPLUS		
Group operating surplus is stated after charging:		
Auditors' remuneration	10,925	5,920
Auditors' remuneration non-audit fees	2,325	2,150
Expenditure on operating leases	20,000	18,333
Depreciation	241,246	223,439
Loss on disposal of fixed assets	8,597	3,263
	<u>31,810</u>	<u>3,702</u>
and after crediting:		
Interest received	<u>31,810</u>	<u>3,702</u>

8 EMPLOYEES AND TRUSTEES

Gross salaries	995,747	784,223
Employers national insurance contributions	53,554	41,415
Pension Costs	13,904	9,971
Training Costs	4,643	6,811
Total employee costs	<u>1,067,848</u>	<u>842,420</u>

The average number of employees for the year amounted to 24 full time (2022 - 22), 14 part time (2022 - 12), and 12 seasonal (2022 - 14). Of these a total of 40 employees worked for the charity and 10 for the trading company. No employees received remuneration of £60,000 or higher.

No Trustees earned a salary during either the current or previous year.

9a PARENT COMPANY INCOME AND EXPENDITURE ACCOUNT

No Income and Expenditure Account is presented for the Isle of Wight Railway Company Limited as permitted by section 408 of the Companies Act 2006. The surplus stated in the accounts for the year ended 31 December 2023 was £409,263 (2022: £379,161), comprising unrestricted funds surplus before transfers of £382,094 (2022: £335,617) and restricted funds surplus before transfers of £27,169 (2022: £43,544).

9b SUBSIDIARY COMPANY INCOME AND EXPENDITURE

The turnover for IWR Trading Limited for the year ended 31 December 2023 was £747,703 (2022: £685,152). The net surplus after tax and before donations to the charity for the year ended 31 December 2023 was £99,621 (2022: £92,837). Total assets at 31 December 2023 were £247,213 (2022: £224,382), total liabilities were £87,802 (2022: £75,400) and shareholder's funds amounted to £159,411 (2022: £148,982). Its primary activity is trading in support of The Isle of Wight Railway Company Ltd.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

10a TANGIBLE FIXED ASSETS - GROUP

	Permanent way, tools, equipment £	Office equipment £	Motor vehicles £	Fixtures & fittings £	Freehold property £	Property improve - ments £	Total £
Cost							
At 1 January 2023	1,299,032	123,841	112,151	116,241	2,635,999	859,077	5,146,341
Additions	146,249	17,448	70,296	13,500	152,416	24,885	424,794
Disposals	(2,432)	(10,463)	(1,348)	(15,859)	-	-	(30,102)
At 31 December 2023	1,442,849	130,826	181,099	113,882	2,788,415	883,962	5,541,033
Depreciation							
At 1 January 2023	741,210	71,823	32,509	74,072	665,123	688,911	2,273,648
Charge for year	58,649	13,221	37,479	7,537	51,814	38,128	206,828
Disposals	(2,390)	(7,362)	(1,324)	(10,429)	-	-	(21,505)
At 31 December 2023	797,469	77,682	68,664	71,180	716,937	727,039	2,458,971
Net book value							
At 31 December 2023	645,380	53,144	112,435	42,702	2,071,478	156,923	3,082,062
At 31 December 2022	557,822	52,018	79,642	42,169	1,970,876	170,166	2,872,693

10b TANGIBLE FIXED ASSETS - COMPANY

	Permanent way, tools, equipment £	Office equipment £	Motor vehicles £	Freehold property £	Property improve - ments £	Total £
Cost						
At 1 January 2023	1,299,032	123,841	112,151	2,635,999	859,077	5,030,100
Additions	146,249	17,448	70,296	152,416	24,885	411,294
Disposals	(2,432)	(10,463)	(1,348)	-	-	(14,243)
At 31 December 2023	1,442,849	130,826	181,099	2,788,415	883,962	5,427,151
Depreciation						
At 1 January 2023	741,210	71,823	32,509	665,123	688,911	2,199,576
Charge for year	58,649	13,221	37,479	51,814	38,128	199,291
Disposals	(2,390)	(7,362)	(1,324)	-	-	(11,076)
At 31 December 2023	797,469	77,682	68,664	716,937	727,039	2,387,791
Net book value						
At 31 December 2023	645,380	53,144	112,435	2,071,478	156,923	3,039,360
At 31 December 2022	557,822	52,018	79,642	1,970,876	170,166	2,830,524

Assets in the course of construction in both the group and the company amounted to £62,200 at the year end. £48,682 is included within Freedold property and £13,518 is included within Permanent way, tools, equipment.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

10c HERITAGE ASSETS

	Group				Company			
	Ajax £	Ivatts £	Drewry	Total £	Ajax £	Ivatts £	Drewry	Total £
Cost								
At 1 January 2023	45,478	309,644	69,075	424,197	45,478	309,644	69,075	424,197
Additions	-	-	54,869	54,869	-	-	54,869	54,869
At 31 December 2023	45,478	309,644	123,944	479,066	45,478	309,644	123,944	479,066
Depreciation								
At 1 January 2023	45,478	174,215	6,908	226,601	45,478	174,215	6,908	226,601
Charge for year	-	30,964	3,454	34,418	-	30,964	3,454	34,418
At 31 December 2023	45,478	205,179	10,362	261,019	45,478	205,179	10,362	261,019
Net book value								
At 31 December 2023	-	104,465	113,582	218,047	-	104,465	113,582	218,047
At 31 December 2022	-	135,429	62,167	197,596	-	135,429	62,167	197,596

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

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

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

The locomotives are maintained by specialised engineers at the Isle of Wight Steam Railway and the steam locomotives undergo a complete overhaul after not more than 10 years use to ensure they are kept in pristine condition. A register of the repairs completed and required is held by the charity. Costs of these repairs are recognised in the SOFA 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.

In 2023 there were additions of £54,869 to heritage assets (2022: Nil 2021: £69,075, 2020: £NIL, 2019: £NIL). There were no disposals of any heritage assets, nor any impairments during the year, or any of the last four reporting periods.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
11 FIXED ASSET INVESTMENTS				
LISTED INVESTMENTS				
FAIR VALUE				
At 1 January 2023	-	1,981	-	1,981
Additions	-	-	-	-
Revaluations	-	2,326	-	2,326
Disposals	-	(4,307)	-	(4,307)
At 31 December 2023	-	-	-	-

The listed investments were shares bequeathed to the charity.

UNLISTED INVESTMENTS

Investment in subsidiary at cost	-	-	10,000	10,000
Total fixed asset investments	-	-	10,000	10,000

The subsidiary, which is included in the charitable company's accounts, is as follows:

Name	IWR Trading Limited (Company No. 02769446)
Registered office	The same as that of The Isle of Wight Railway Company Limited as detailed on page 2 .
Principal Activity	Retail services
Country of Incorporation	England and Wales
Shares Held	50 ordinary £1 shares
Proportion Held	100%
Voting Rights	One vote per share
Turnover at year end	£747,703
Net assets at year end	£159,411

	Group		Company	
	2023	2022 as restated	2023	2022 as restated
	£	£	£	£
12 STOCK				
Catering, bar and show	9,846	15,427	-	-
Shop	81,728	75,672	-	-
Santa stock, coal and other stock	36,423	31,970	36,423	31,970
	127,997	123,069	36,423	31,970

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
13 DEBTORS				
Trade debtors	34,094	22,618	34,008	21,954
Amounts owed by group undertakings	-	-	70,494	57,315
Other debtors	158,272	145,102	140,508	127,299
	<u>192,366</u>	<u>167,720</u>	<u>245,010</u>	<u>206,568</u>
14 CREDITORS: AMOUNTS DUE WITHIN 1 YEAR				
Trade creditors	103,862	69,051	93,229	56,771
Covenanted loan	100	100	100	100
Taxation and social security	19,375	12,880	18,608	12,394
Accruals	33,564	38,456	28,108	34,173
Other creditors	82,207	27,850	81,778	26,814
	<u>239,108</u>	<u>148,337</u>	<u>221,823</u>	<u>130,252</u>

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Balance 01/01/2023	Income	Expense	Transfers	Total funds 31/12/2023
	£	£	£	£	£
15a MOVEMENT IN FUNDS - GROUP					
Unrestricted funds					
General fund	1,109,156	2,647,928	(2,638,038)	15,742	1,134,788
Fixed asset reserve	3,070,289	-	-	229,820	3,300,109
Train Story 2 reserve	230,717	-	(22,580)	(51,576)	156,561
Designated / legacies reserve	662,866	427,675	(22,463)	(136,328)	931,750
Total unrestricted funds	5,073,028	3,075,603	(2,683,081)	57,658	5,523,208
Restricted funds					
Carriage and wagon restoration	72,546	31,985	(45,881)	-	58,650
The Museum fund	28,756	8,661	(6,890)	(11,237)	19,290
Maycock fund	8,450	367	-	-	8,817
IWSR 200 Club	7,207	6,780	(2,450)	(3,811)	7,726
Wootton	38,387	34,108	(3,275)	(37,843)	31,377
Drewry Railcar	4,530	237	-	(4,767)	-
Calbourne	-	1,973	-	-	1,973
Possible acquisition	4,815	50	-	-	4,865
Invincible	14,973	1,504	-	-	16,477
Total restricted funds	179,664	85,665	(58,496)	(57,658)	149,175
Total Funds	5,252,692	3,161,268	(2,741,577)	-	5,672,383

15b MOVEMENT IN FUNDS - COMPANY

Unrestricted funds					
General fund	1,012,344	2,036,771	(2,037,309)	16,275	1,028,081
Fixed asset reserve	3,028,120	-	-	229,287	3,257,407
Train Story 2 reserve	230,717	-	(22,580)	(51,576)	156,561
Designated / legacies reserve	662,866	427,675	(22,463)	(136,328)	931,750
Total unrestricted funds	4,934,047	2,464,446	(2,082,352)	57,658	5,373,799
Restricted funds					
Carriage and wagon restoration	72,546	31,985	(45,881)	-	58,650
The Museum fund	28,756	8,661	(6,890)	(11,237)	19,290
Maycock fund	8,450	367	-	-	8,817
IWSR 200 Club	7,207	6,780	(2,450)	(3,811)	7,726
Wootton	38,387	34,108	(3,275)	(37,843)	31,377
Drewry Railcar	4,530	237	-	(4,767)	-
Calbourne	-	1,973	-	-	1,973
Possible acquisition	4,815	50	-	-	4,865
Invincible	14,973	1,504	-	-	16,477
Total restricted funds	179,664	85,665	(58,496)	(57,658)	149,175
Total Funds	5,113,711	2,550,111	(2,140,848)	-	5,522,974

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Unrestricted Funds £	Restricted Funds £	2023 Total Funds £	2022 Total Funds £
15c ANALYSIS OF NET ASSETS BETWEEN FUNDS				
Group				
Fixed assets	3,300,109	-	3,300,109	3,070,289
Current assets	2,462,207	149,175	2,611,382	2,330,740
Current liabilities	(239,108)	-	(239,108)	(148,337)
	<u>5,523,208</u>	<u>149,175</u>	<u>5,672,383</u>	<u>5,252,692</u>
Company				
Fixed assets	3,267,407	-	3,267,407	3,038,120
Current assets	2,328,215	149,175	2,477,390	2,205,843
Current liabilities	(221,823)	-	(221,823)	(130,252)
	<u>5,373,799</u>	<u>149,175</u>	<u>5,522,974</u>	<u>5,113,711</u>

15d DETAILS OF FUNDS

Train Story 2 reserve

Unrestricted funds set aside towards 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

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

Restricted funds

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

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. Transfers into funds represent transfers between funds correcting the allocation of costs incorrectly allocated in the previous year.

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(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Balance				Total funds
	01/01/2022	Income	Expense	Transfers	31/12/2022
	£	£	£	£	£
15e PRIOR YEAR COMPARATIVES FOR THE MOVEMENT IN FUNDS - GROUP					
Unrestricted funds					
General fund	1,303,457	2,373,847	(2,275,315)	(292,833)	1,109,156
Fixed asset reserve	2,883,411	-	-	186,878	3,070,289
Train Story 2 reserve	-	-	(20,133)	250,850	230,717
Designated / legacies fund	555,955	207,642	(18,993)	(81,738)	662,866
Total unrestricted funds	4,742,823	2,581,489	(2,314,441)	63,157	5,073,028
Restricted funds					
Carriage and wagon restoration	90,623	25,019	(43,096)	-	72,546
The Museum fund	24,380	9,158	(4,782)	-	28,756
Maycock fund	8,099	351	-	-	8,450
IWSR 200 Club	2,023	7,880	(2,696)	-	7,207
Wootton	60,740	46,579	(6,200)	(62,732)	38,387
Drewry Railcar	-	4,530	-	-	4,530
<i>Calbourne</i>	31	-	(31)	-	-
The Grand Plan	425	-	-	(425)	-
Possible acquisition	4,815	-	-	-	4,815
<i>Invincible</i>	8,141	6,867	(35)	-	14,973
Total restricted funds	199,277	100,384	(56,840)	(63,157)	179,664
Total Funds	4,942,100	2,681,873	(2,371,281)	-	5,252,692

15f PRIOR YEAR COMPARATIVES FOR THE MOVEMENT IN FUNDS - COMPANY

Unrestricted funds					
General fund	1,135,705	1,895,258	(1,728,157)	(290,462)	1,012,344
Fixed asset reserve	2,843,613	-	-	184,507	3,028,120
Train Story 2 reserve	-	-	(20,133)	250,850	230,717
Designated / legacies fund	555,955	207,642	(18,993)	(81,738)	662,866
Total unrestricted funds	4,535,273	2,102,900	(1,767,283)	63,157	4,934,047
Restricted funds					
Carriage and wagon restoration	90,623	25,019	(43,096)	-	72,546
The Museum fund	24,380	9,158	(4,782)	-	28,756
Maycock fund	8,099	351	-	-	8,450
IWSR 200 Club	2,023	7,880	(2,696)	-	7,207
Wootton	60,740	46,579	(6,200)	(62,732)	38,387
Drewry Railcar	-	4,530	-	-	4,530
<i>Calbourne</i>	31	-	(31)	-	-
The Grand Plan	425	-	-	(425)	-
Possible acquisition	4,815	-	-	-	4,815
<i>Invincible</i>	8,141	6,867	(35)	-	14,973
Total restricted funds	199,277	100,384	(56,840)	(63,157)	179,664
Total Funds	4,734,550	2,203,284	(1,824,123)	-	5,113,711

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

16 RELATED PARTY DISCLOSURES

Four (2022: Three) trustees received reimbursement for travel, accommodation and small sundry expenses of £1,068 (2022: £744).

17 CAPITAL COMMITMENTS

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities amounted to £245,792 at the year end (2022: £134,350).

18 OTHER FINANCIAL COMMITMENTS

At 31 December 2023 the charity had commitments under non-cancellable operating leases as follows:

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Due within one year	20,000	20,000	20,000	20,000
Due after one year but no later than five years	16,667	36,667	16,667	36,667
	<u>36,667</u>	<u>56,667</u>	<u>36,667</u>	<u>56,667</u>

19 CONTINGENT ASSETS

The charity has unrecognised contingent assets totalling £10,000 (2022: £150,010) relating to legacies, which the charity were notified of prior to the end of the year. The contingent assets are estimated based on the anticipated residual value of the estate due to the charity, where it is considered that payment is probable but not virtually certain to be received.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Unrestricted Funds £	Restricted Funds £	Total 2022 £
19 PRIOR YEAR COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES			
INCOME AND ENDOWMENTS FROM			
Voluntary Income			
Donations	141,253	91,017	232,270
Grants	6,470	-	6,470
Legacies	205,316	-	205,316
Charitable Activities			
Travel tickets	1,144,575	-	1,144,575
Membership subscriptions	49,842	9,367	59,209
Other Trading Activities			
Special events	334,220	-	334,220
Shop, catering and show income	685,152	-	685,152
Other income	10,959	-	10,959
Investments			
Interest received	3,702	-	3,702
Total	2,581,489	100,384	2,681,873
EXPENDITURE ON			
Raising Funds			
Administration and event costs	483,970	7,478	491,448
Shop, catering and show expenditure	608,541	-	608,541
Charitable activities			
Running and maintaining the Railway	1,224,256	49,362	1,273,618
Total	2,316,767	56,840	2,373,607
Unrealised gains/(losses) on investments	2,326	-	2,326
NET INCOME/(EXPENDITURE)	267,048	43,544	310,592
Transfer between funds	63,157	(63,157)	-
Net movement in funds	330,205	(19,613)	310,592
RECONCILIATION OF FUNDS			
Total funds brought forward	4,742,823	199,277	4,942,100
TOTAL FUNDS CARRIED FORWARD	5,073,028	179,664	5,252,692

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	£	£
UNRESTRICTED FUNDS		
Income		
Travel tickets	1,237,427	1,131,882
Platform tickets	16,415	12,693
Santa specials	113,979	113,467
Other special events	253,622	220,753
Membership subscriptions	33,992	49,842
Bank interest received	30,634	3,614
Management charge to subsidiary	41,611	37,260
Rent received	8,902	7,985
Legacies	427,675	205,316
Sundry income	27,933	10,959
Donations		
General donations	166,341	141,253
Gift aid donation from subsidiary	88,126	161,406
Grants		
Other grants	17,789	6,470
Total income	<u>2,464,446</u>	<u>2,102,900</u>
Expenditure		
Engineering	689,463	610,332
Marketing and operating	377,313	280,989
Sites and estates	245,362	192,971
Heritage and learning	31,536	31,620
Administration	451,129	387,954
Membership	25,476	20,668
Finance costs	25,197	26,744
Depreciation	236,876	218,331
Revaluations of listed investments	-	(2,326)
	<u>2,082,352</u>	<u>1,767,283</u>
Surplus of income over expenditure on unrestricted funds	<u>382,094</u>	<u>335,617</u>

This page does not form part of the statutory financial statements.

THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

SCHEDULE OF EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	£	£
Engineering		
Employee costs	383,874	330,596
Fuel and coal	131,382	133,837
Other locomotive running costs	32,657	26,631
Carriage and wagon maintenance	16,050	20,409
Permanent way maintenance	67,495	40,235
Workshops	17,704	14,353
Rolling stock repairs and refurbishment	17,838	25,278
Other designated fund engineering costs	22,463	18,993
	<u>689,463</u>	<u>610,332</u>
Marketing and operating		
Publicity	113,900	92,093
Employee costs	147,749	107,732
Volunteer department expenses	15,224	6,411
Operating costs	2,760	2,403
Printing and artwork	531	275
Exhibitions and sundries	11,162	6,317
Santa specials	40,609	40,018
Other specials	45,378	32,151
	<u>377,313</u>	<u>287,400</u>
Sites and estates		
Repair and maintenance	135,714	95,045
Cleaning and consumables	5,716	6,269
Employee costs	103,932	85,246
	<u>245,362</u>	<u>186,560</u>
Heritage and learning		
Employee costs	20,664	21,840
Education	1,528	302
General daily expenses	9,344	9,478
	<u>31,536</u>	<u>31,620</u>
Administration		
Employee costs	194,720	136,576
Insurance	76,938	66,393
Printing, stationery and postage	15,413	14,436
Heat, Light and Water charges	91,206	82,671
Health and safety and company doctor	4,746	6,768
Telephone	8,890	8,944
AGM & annual report	952	1,221
Sundry expenses	27,312	39,588
Subscriptions	6,225	5,595
Legal and professional fees	350	361
Rates	4,377	7,068
Rent	20,000	18,333
	<u>451,129</u>	<u>387,954</u>

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THE ISLE OF WIGHT RAILWAY COMPANY LIMITED

(Limited by Guarantee and not having any share capital)

SCHEDULE OF EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	£	£
Membership		
<i>Island Rail News</i>	22,900	20,371
Sundry	2,576	297
	<u>25,476</u>	<u>20,668</u>
Finance costs		
Audit fees	8,230	4,900
Bad debts	-	91
Bank charges	1,378	1,877
Bank interest	-	4,897
Credit card charges	14,405	13,790
Miscellaneous	1,184	1,189
	<u>25,197</u>	<u>26,744</u>
Depreciation		
Motor vehicles	37,479	26,547
Track and equipment	58,649	46,068
Office equipment	13,221	13,005
Improvements to property	38,128	42,542
Freehold property	51,814	53,416
Locomotive	30,964	30,964
Drewry Railcar	3,454	3,454
Losses on disposal of assets	3,167	2,335
	<u>236,876</u>	<u>218,331</u>
Total unrestricted expenditure	<u>2,082,352</u>	<u>1,769,609</u>

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IWR TRADING LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2023

	2023		2022	
	£	£	£	£
Shop				
Takings		237,270		248,648
Cost of sales				
Opening stock	75,672		81,424	
Purchases	129,059		126,945	
Wages	6,948		7,336	
Closing Stock	(81,728)		(75,672)	
		<u>129,951</u>		<u>140,033</u>
Gross Profit		107,319		108,615
Credit card charges	12,959		11,703	
Repairs and renewals	1,727		688	
		<u>14,686</u>		<u>12,391</u>
Net Profit		<u>92,633</u>		<u>96,224</u>
Catering				
Takings		415,630		352,713
Calbourne Room bookings		7,088		8,358
Costs of sales				
Opening stock	6,444		8,563	
Purchases	172,832		150,893	
Wages	147,336		120,289	
Closing stock	(8,062)		(6,444)	
		<u>318,550</u>		<u>273,301</u>
Gross profit		104,168		87,770
Repairs and renewals	10,890		9,427	
		<u>10,890</u>		<u>9,427</u>
Net profit		<u>93,278</u>		<u>78,343</u>
Bar				
Takings		64,225		53,956
Costs of sales				
Opening stock	1,663		781	
Bar purchases	31,902		30,384	
Closing stock	(764)		(1,663)	
		<u>32,801</u>		<u>29,502</u>
Gross profit		31,424		24,454
Repairs and renewals	1,067		-	
		<u>1,067</u>		<u>-</u>
Net profit		<u>30,357</u>		<u>24,454</u>
Shows and special events				
Takings		23,490		21,476
Direct costs				
Opening stock	7,320		480	
Site costs and administration	40,281		54,811	
Closing stock	(1,020)		(7,320)	
		<u>46,581</u>		<u>47,971</u>
Gross profit/(loss)		(23,091)		(26,495)
Show publicity	6,659		3,217	
		<u>6,659</u>		<u>3,217</u>
Net profit/(loss)		<u>(29,750)</u>		<u>(29,712)</u>
Trading Profit		<u>187,585</u>		<u>169,309</u>

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IWR TRADING LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2023

	2023		2022	
	£	£	£	£
Trading profit		187,585		169,309
Overheads				
Rent	7,985		7,985	
Insurance	6,928		6,755	
Management charges	41,611		37,260	
General Manager	12,101		10,013	
Sundry expenses	40		98	
Audit fees	5,020		3,170	
Depreciation	7,537		7,443	
Bank charges	2,488		2,909	
Loss on disposal of tangible assets	5,430		928	
		<u>89,140</u>		<u>76,561</u>
Total net profit		<u>98,445</u>		<u>92,748</u>
Bank interest received		1,176		88
Net profit before gift aid donation		<u>99,621</u>		<u>92,836</u>
Donations to Isle of Wight Railway		(88,126)		(161,406)
Retained profit / (loss)		<u><u>11,495</u></u>		<u><u>(68,570)</u></u>

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