

Charity registration number 1108745

Company registration number 04666170 (England and Wales)

TANAT VALLEY LIGHT RAILWAY COMPANY LTD
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

TANAT VALLEY LIGHT RAILWAY COMPANY LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs H E M Hignett Mr A M Hignett Mr Adrian Semmence	(Appointed 3 January 2022)
Secretary	Mr A M Hignett	
Charity number	1108745	
Company number	04666170	
Registered office	Tan Llwyn Llangedwyn Oswestry Powys United Kingdom SY10 9LD	
Independent examiner	Azets 5 - 7 Beatrice Street Oswestry Shropshire United Kingdom SY11 1QE	

TANAT VALLEY LIGHT RAILWAY COMPANY LTD

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TANAT VALLEY LIGHT RAILWAY COMPANY LTD

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT)

FOR THE YEAR ENDED 30 JUNE 2022

The trustees present their annual report and financial statements for the year ended 30 June 2022.

The accounts have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice (FRS102) applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (effective 1 January 2015).

Objectives and activities

The object of the charity is to advance the education of the general public in the industrial heritage of the area surrounding the Tanat Valley Light Railway, Powys in particular but not exclusively by the provision, preservation and conservation of the railway branch line and the provision of visitor experiences and a museum.

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

This year saw construction continue on the landart project on the top field, work to create a spiral path to a viewpoint, an outdoor performance stage and audience area along with associated roadways and disabled access parking.

Achievements and performance

During the year the charity saw an increasing number of visitors to its footpaths, nature trails, woodland walk and picnic area.

Work on the line continued, the track was cleared of vegetation and work in the vicinity of the station was started, the platform line side drains were installed, and some track work was carried out on the station lower points.

Financial review

Reserves policy

The policy of the trustees is to maintain a float in reserves of approximately £5,000 to act as a cushion in case of a fall in donations or other income. Over and above this figure the reserves are to be expended as received in order to further the object of the charity.

Principal funding sources

The charity relies on donations and grants for specific projects.

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

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Plans for future periods

The charity will continue with its long term plans to acquire any remaining part of the former Tanat Valley Light Railway and its associated railway networks.

Structure, governance and management

The charity is a company limited by guarantee.

TANAT VALLEY LIGHT RAILWAY COMPANY LTD

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) *FOR THE YEAR ENDED 30 JUNE 2022*

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

Mrs H E M Hignett

Mr M C Hignett (Resigned 26 July 2021)

Mr A M Hignett

Mr A Adams (Resigned 2 June 2022)

Mr Adrian Semmence (Appointed 3 January 2022)

Mr John Homer (Appointed 30 September 2021 and resigned 3 January 2022)

The trustees' report was approved by the Board of Trustees.

Mr A M Hignett

Trustee

23 June 2023

TANAT VALLEY LIGHT RAILWAY COMPANY LTD

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF TANAT VALLEY LIGHT RAILWAY COMPANY LTD

I report to the trustees on my examination of the financial statements of Tanat Valley Light Railway Company Ltd (the charity) for the year ended 30 June 2022.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Azets

5 - 7 Beatrice Street
Oswestry
Shropshire
SY11 1QE
United Kingdom

Dated: 23 June 2023

TANAT VALLEY LIGHT RAILWAY COMPANY LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Unrestricted funds 2022 £	Unrestricted funds 2021 £
<u>Income from:</u>			
Donations and legacies	3	69,334	190,507
		<hr/>	<hr/>
<u>Expenditure on:</u>			
Charitable activities	4	80,271	90,367
		<hr/>	<hr/>
Governance costs		590	500
		<hr/>	<hr/>
Total expenditure		80,861	90,867
		<hr/>	<hr/>
Net (expenditure)/income for the year/ Net movement in funds		(11,527)	99,640
Fund balances at 1 July 2021		122,065	22,425
		<hr/>	<hr/>
Fund balances at 30 June 2022		110,538	122,065
		<hr/>	<hr/>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

TANAT VALLEY LIGHT RAILWAY COMPANY LTD

BALANCE SHEET

AS AT 30 JUNE 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	7		112,160		136,354
Current assets					
Debtors	8	2,491		5,891	
Cash at bank and in hand		9,868		12,825	
		<u>12,359</u>		<u>18,716</u>	
Creditors: amounts falling due within one year	10	<u>(8,004)</u>		<u>(25,405)</u>	
Net current assets/(liabilities)			4,355		(6,689)
Total assets less current liabilities			116,515		129,665
Creditors: amounts falling due after more than one year	11		(5,977)		(7,600)
Net assets			<u>110,538</u>		<u>122,065</u>
Income funds					
Unrestricted funds			110,538		122,065
			<u>110,538</u>		<u>122,065</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 June 2022.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 23 June 2023

Mr A M Hignett
Trustee

Company registration number 04666170

TANAT VALLEY LIGHT RAILWAY COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

Charity information

Tanat Valley Light Railway Company Ltd is a private company limited by guarantee incorporated in England and Wales. The registered office is Tan Llwyn, Llangedwyn, Oswestry, Powys, SY10 9LD, United Kingdom.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

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

1.2 Going concern

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

1.3 Charitable funds

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

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

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

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

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

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

TANAT VALLEY LIGHT RAILWAY COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

(Continued)

1.5 Expenditure

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

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

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 resources.

1.6 Tangible fixed assets

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

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

Land and buildings	0%
Plant and machinery	25% reducing balance
Computers	25% reducing balance

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

1.7 Impairment of fixed assets

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

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

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

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

TANAT VALLEY LIGHT RAILWAY COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

(Continued)

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.10 Employee benefits

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

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

1.11 Taxation

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

1.12 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 restricted 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.

2 Critical accounting estimates and judgements

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

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

TANAT VALLEY LIGHT RAILWAY COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

3 Donations and legacies

	2022	2021
	£	£
Donations and gifts	44,797	167,676
Grants	24,537	22,831
	<u>69,334</u>	<u>190,507</u>

4 Charitable activities

	2022	2021
	£	£
Rent	-	4,784
Insurance	1,977	2,106
Post and stationery	1,051	1,009
Advertising	3,623	1,991
Motor expenses	3,448	1,379
Repairs and renewals	12,920	25,812
Sundry expenses	678	734
Hire and haulage	15,876	9,446
Depreciation	40,698	43,106
	<u>80,271</u>	<u>90,367</u>
	<u>80,271</u>	<u>90,367</u>
Analysis by fund		
Unrestricted funds	<u>80,271</u>	
	<u>80,271</u>	
For the year ended 30 June 2021		
Unrestricted funds		<u>90,367</u>
		<u>90,367</u>

5 Trustees

There were no trustees' remuneration or other benefits for the year ended 30 June 2022 nor for the year ended 30 June 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 June 2022 nor for the year ended 30 June 2021.

TANAT VALLEY LIGHT RAILWAY COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

6 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Total	-	-

There were no employees who received total employee benefits (excluding employer pension costs) of more than £60,000.

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

7 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Computers £	Total £
Cost				
At 1 July 2021	13,036	175,253	645	188,934
Additions	-	8,846	-	8,846
At 30 June 2022	13,036	184,099	645	197,780
Depreciation and impairment				
At 1 July 2021	-	51,999	580	52,579
Depreciation charged in the year	-	33,025	16	33,041
At 30 June 2022	-	85,024	596	85,620
Carrying amount				
At 30 June 2022	13,036	99,075	49	112,160
At 30 June 2021	13,036	123,254	64	136,354

8 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Other debtors	2,491	5,891

TANAT VALLEY LIGHT RAILWAY COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

9 Loans and overdrafts

	2022 £	2021 £
Bank loans	7,721	9,000
Other loans	5,000	-
	<u>12,721</u>	<u>9,000</u>
Payable within one year	6,744	1,400
Payable after one year	<u>5,977</u>	<u>7,600</u>

10 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	9	1,744	1,400
Other borrowings		5,000	-
Other creditors		-	22,955
Accruals and deferred income		1,260	1,050
		<u>8,004</u>	<u>25,405</u>

11 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans	9	<u>5,977</u>	<u>7,600</u>

12 Related party transactions

During the year the charity received donations from Mr M Hignett (trustee) of £23,763 (2021 - £21,461). At the year end Mr H Hignett was owed £5,000 by the charity (2021- Nil). There was no interest accruing on the loan of funds to the charity.