

Company registration number: 02188631

Charity registration number: 1076037

Vale of Rheidol Railway Limited

(A company limited by share capital)

Annual Report and Financial Statements

for the Year Ended 31 December 2017

MMO Limited
Wellesley House
204 London Road
Waterlooville
Hampshire
PO7 7AN

Vale of Rheidol Railway Limited

Contents

Reference and Administrative Details	1
Strategic Report	2
Trustees' Report	3 to 6
Independent Auditors' Report	7 to 9
Consolidated Statement of Financial Activities	10 to 11
Consolidated Balance Sheet	12
Balance Sheet	13
Notes to the Financial Statements	14 to 36

Vale of Rheidol Railway Limited

Reference and Administrative Details

Trustees	Dr C R H Higgs Mr P J Rampton Mr L A Iolo Mr C S Langer Mr P J N E Ellis
Principal Office	Park Avenue Aberystwth Ceredigion SY23 1PG
Registered Office	Marwick Farm Loxhill Godalming Surrey GU8 4BE The charity is incorporated in England & Wales.
Company Registration Number	02188631
Charity Registration Number	1076037
Bankers	Royal Bank of Scotland Guildford 10 North Street Guildford GU1 4AQ Santander Customer Service Centre Bootle Merseyside L30 4GB
Auditor	MMO Limited Wellesley House 204 London Road Waterlooville Hampshire PO7 7AN

Vale of Rheidol Railway Limited

Strategic Report for the Year Ended 31 December 2017

The trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 December 2017, in compliance with s414C of the Companies Act 2006.

Achievements and performance

Key non-financial performance indicators

Success is measured in passenger numbers, as if these continue to grow the charity can clearly display that it is reaching more people to further its objectives.

Financial review

Policy on reserves

The charity's main activity is the operation of a narrow gauge steam railway. The railway is a working museum which charges fares to passengers in order to maintain its income. The operating costs consist of train running costs, wages, and the maintenance of track, locomotive, rolling stock and buildings.

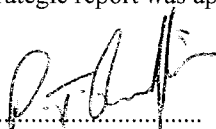
The cost structure of setting up, financing and operating a railway are of such a magnitude that it is anticipated that the railway will always be able to spend more money in running, maintaining and improvement and development, than it can reasonably be expected to raise from fares, donations and other sundry income.

The trustees do not therefore expect to generate long term or medium term reserves. Any reserves which may be generated during a financial period are expected to be attributed to a future maintenance or development project.

Principal funding sources

The charity is principally funded by train fares and public donations to the railway and the associated Gift Aid that can be claimed from this. It is also funded by various grants as and when these can be applied for and awarded. The charity is also financially supported by its parent the Phyllis Rampton Narrow Gauge Railway Trust.

The strategic report was approved by the trustees of the charity on ^{24th} Sept 2018 and signed on its behalf by:


.....
Mr P J Rampton
Trustee

Vale of Rheidol Railway Limited

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 December 2017.

Trustees

Dr C R H Higgs

Mr P J Rampton

Mr L A Iolo

Mr C S Langer

Mr P J N E Ellis

Objectives and activities

Objects and aims

The charitable company's activity is the provision of a working museum by the operation of a narrow gauge railway line and associated station and maintenance facilities between Aberystwyth and Devils Bridge, Ceredigion.

The charity's main objectives are:

- The provision of a working museum by operating as a narrow gauge railway line and associated station between Aberystwyth and Devils Bridge, Ceredigion; including its associated station, workshop and museum assets.
- To advance the education of the public and to promote research (including the publication of the useful results of such research) in matters concerning narrow gauge railways and in particular the narrow gauge railway in the County of Ceredigion which extends from Aberystwyth to Devils Bridge and is known as the Vale of Rheidol Railway and of other railways or tramways which are or may be worked or operated in conjunction or connection herewith and (without prejudice to the generality of the foregoing) matters concerning the history, buildings, tramways, rolling stock, machinery and equipment, the historical operations, the restoration and the current operation of the Vale of Rheidol Railway.

The achievement of the objectives will further the charity's purposes by ensuring future community interest in the railway. By growing the presence and increasing visitor numbers the charity is able to educate as many members of the public as possible. All Trustees and senior persons within the charity remain focused on the objectives of the charity.

Objectives, strategies and activities

The charity has undertaken the rebuilding of locomotive No7 this has involved the training of 4 new apprentices within the conservation workshop. In the coming year the charity will be rebuilding the currently derelict weighbridge at Devils Bridge one of the most historically important structures remaining on the railway.

Public benefit

The Vale of Rheidol Railway operates to demonstrate the operation of a Victorian narrow gauge railway for the benefit of the public.

The railway is open to all members of the public. The public can benefit from and see the preserved locomotives and rolling stock in operation. They are available to be viewed on open days without charge. Various fare concessions are also available on the railway.

Vale of Rheidol Railway Limited

Trustees' Report

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Social investment policies

The charity invests in staff training to ensure vital skills in the running of the railway are not lost.

There are a number of apprentices working at the charity which is something that is hoped to continue and grow in the future. This coming year the charity hopes to recruit two further apprentices to focus on carriage and wagon building.

Grant making policies

The charity applies for all grants to which it could be entitled to ensure it remains well funded and can continue to work towards its objectives.

Use of volunteers

The charity encourages the use of volunteers where practicable and has seen great success in providing volunteers with roles which provide a sense of achievement and fulfilment.

Going concern

The Trustees are of the opinion that the charitable company is a going concern.

Structure, governance and management

Nature of governing document

The Vale of Rheidol Railway Limited is a charitable company incorporated on 4 November 1987. The charitable company was established under a Memorandum of Association which established the objects and powers of the company, and is governed under its Articles of Association.

Recruitment and appointment of trustees

All the Trustees of the charity are directors for the purposes of company law. There is no time limit on how long the Trustees are allowed to serve. The company seeks to recruit Trustees with the range of knowledge necessary to operate a railway and meet its objectives.

Induction and training of trustees

All the Trustees undergo an induction programme when joining the charity. The subjects covered are the obligations of Trustees; the main documents which set out the operation framework for the charity including the Memorandum and Articles; the financial position and controls as set out in the latest financial statements; future plans and objectives.

Arrangements for setting key management personnel remuneration

There is one remunerated Trustee, which is allowed by the governing document. Aside from the Chief Executive R Gambrill, no other key personnel are remunerated by the charitable company.

Vale of Rheidol Railway Limited

Trustees' Report

Relationships with related parties

Phyllis Rampton Narrow Gauge Railway Trust

The charitable company is owned by Phyllis Rampton Narrow Gauge Railway Trust (charity number 292240). The Trust provides significant funding to the charity. Monies received from the Trust have mainly been used for the purchase of museum assets and the restoration of the heritage assets. As at the year end the charity had received loans from the Trust amounting to £3,593,495 (2016: £3,508,576)

Financial instruments

Objectives and policies

The Trustees have given consideration to the major risks to which the charitable company is exposed and have considered the systems designed to mitigate these risks, in particular regular Trustees meetings with a careful review of the charity's funding and available resources to ensure sufficient monies are held for all restricted funds and the charity's ongoing and general commitments.

Vale of Rheidol Railway Limited

Trustees' Report

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Vale of Rheidol Railway Limited for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. 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 charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

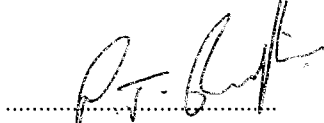
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 24th Sept 2018 and signed on its behalf by:



Mr P J Rampton
Trustee

Vale of Rheidol Railway Limited

Independent Auditor's Report to the Members of Vale of Rheidol Railway Limited

Opinion

We have audited the financial statements of Vale of Rheidol Railway Limited (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable parent company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 December 2017 and of the group's results 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 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 group'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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Vale of Rheidol Railway Limited

Independent Auditor's Report to the Members of Vale of Rheidol Railway Limited

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.

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 Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and 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 charitable company, or returns adequate for our audit have not been received from branches not visited by us; 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.

Responsibilities of trustees

As explained more fully in the [set out on page 6], the trustees 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 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 group or the parent 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

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.

Vale of Rheidol Railway Limited

Independent Auditor's Report to the Members of Vale of Rheidol Railway Limited

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Mrs Gillian McIntosh (Senior Statutory Auditor)
For and on behalf of MMO Limited, Statutory Auditor

Wellesley House
204 London Road
Waterlooville
Hampshire
PO7 7AN

Date: 27/9/18

Vale of Rheidol Railway Limited

Consolidated Statement of Financial Activities for the Year Ended 31 December 2017 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2017 £
Income and Endowments from:					
Donations and legacies	2	576,417	134,153	-	710,570
Charitable activities	3	595,170	-	-	595,170
Other trading activities	4	196,895	-	-	196,895
Total Income		<u>1,368,482</u>	<u>134,153</u>	<u>-</u>	<u>1,502,635</u>
Expenditure on:					
Charitable activities	6	<u>(1,197,911)</u>	<u>-</u>	<u>-</u>	<u>(1,197,911)</u>
Total Expenditure		<u>(1,197,911)</u>	<u>-</u>	<u>-</u>	<u>(1,197,911)</u>
Net income		<u>170,571</u>	<u>134,153</u>	<u>-</u>	<u>304,724</u>
Net movement in funds		170,571	134,153	-	304,724
Reconciliation of funds					
Total funds brought forward		<u>889,986</u>	<u>517,398</u>	<u>633,650</u>	<u>2,041,034</u>
Total funds carried forward	22	<u>1,060,557</u>	<u>651,551</u>	<u>633,650</u>	<u>2,345,758</u>
	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2016 £
Income and Endowments from:					
Donations and legacies	2	527,742	126,679	-	654,421
Charitable activities	3	490,670	-	-	490,670
Other trading activities	4	145,775	-	-	145,775
Investment income	5	1,989	-	-	1,989
Total Income		<u>1,166,176</u>	<u>126,679</u>	<u>-</u>	<u>1,292,855</u>
Expenditure on:					
Raising funds		1,536	-	-	1,536
Charitable activities	6	<u>(875,689)</u>	<u>(96,679)</u>	<u>-</u>	<u>(972,368)</u>
Total Expenditure		<u>(874,153)</u>	<u>(96,679)</u>	<u>-</u>	<u>(970,832)</u>
Net income		<u>292,023</u>	<u>30,000</u>	<u>-</u>	<u>322,023</u>
Net movement in funds		292,023	30,000	-	322,023
Reconciliation of funds					
Total funds brought forward		<u>597,964</u>	<u>487,398</u>	<u>633,650</u>	<u>1,719,012</u>
Total funds carried forward	22	<u>889,987</u>	<u>517,398</u>	<u>633,650</u>	<u>2,041,035</u>

All of the group's activities derive from continuing operations during the above two periods.

Vale of Rheidol Railway Limited

**Consolidated Statement of Financial Activities for the Year Ended 31 December 2017
(Including Consolidated Income and Expenditure Account and Statement of Total
Recognised Gains and Losses)**

The funds breakdown for 2016 is shown in note 22.

Vale of Rheidol Railway Limited
(Registration number: 02188631)
Consolidated Balance Sheet as at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	13	3,299,846	2,924,738
Heritage assets	14	2,355,395	2,183,113
Investments		61,310	61,310
		<u>5,716,551</u>	<u>5,169,161</u>
Current assets			
Stocks	16	61,299	38,814
Debtors	17	61,845	119,043
Cash at bank and in hand		308,768	395,003
		<u>431,912</u>	<u>552,860</u>
Creditors: Amounts falling due within one year	18	<u>(153,296)</u>	<u>(103,429)</u>
Net current assets		<u>278,616</u>	<u>449,431</u>
Total assets less current liabilities		5,995,167	5,618,592
Creditors: Amounts falling due after more than one year	19	<u>(3,649,309)</u>	<u>(3,577,457)</u>
Net assets		<u>2,345,858</u>	<u>2,041,135</u>
Funds of the group:			
Endowment funds		<u>633,650</u>	<u>633,650</u>
Restricted funds		<u>651,551</u>	<u>517,398</u>
Unrestricted income funds			
Called up share capital	21	100	100
Unrestricted funds		<u>1,060,557</u>	<u>889,987</u>
Total unrestricted funds		<u>1,060,657</u>	<u>890,087</u>
Total funds	22	<u>2,345,858</u>	<u>2,041,135</u>

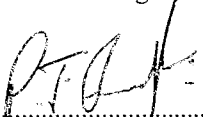
The financial statements on pages 10 to 36 were approved by the trustees, and authorised for issue on 24.4.2018 and signed on their behalf by: MR Peter Rampton

.....
Mr P J Rampton
Trustee

Vale of Rheidol Railway Limited
(Registration number: 02188631)
Balance Sheet as at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	13	3,299,846	2,924,738
Heritage assets	14	2,355,395	2,183,113
Investments		<u>61,410</u>	<u>61,410</u>
		<u>5,716,651</u>	<u>5,169,261</u>
Current assets			
Stocks	16	4,416	6,570
Debtors	17	124,557	145,273
Cash at bank and in hand		<u>295,452</u>	<u>386,171</u>
		424,425	538,014
Creditors: Amounts falling due within one year	18	<u>(145,786)</u>	<u>(88,684)</u>
Net current assets		<u>278,639</u>	<u>449,330</u>
Total assets less current liabilities		5,995,290	5,618,591
Creditors: Amounts falling due after more than one year	19	<u>(3,649,310)</u>	<u>(3,577,457)</u>
Net assets		<u>2,345,980</u>	<u>2,041,134</u>
Funds of the charity:			
Endowment funds		<u>633,650</u>	<u>633,650</u>
Restricted funds		<u>651,551</u>	<u>517,398</u>
Unrestricted income funds			
Called up share capital	21	100	100
Unrestricted funds		<u>1,060,679</u>	<u>889,986</u>
Total unrestricted funds		<u>1,060,779</u>	<u>890,086</u>
Total funds	22	<u>2,345,980</u>	<u>2,041,134</u>

The financial statements on pages 10 to 36 were approved by the trustees, and authorised for issue on and signed on their behalf by:


.....
Mr P J Rampton
Trustee

Vale of Rheidol Railway Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

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 (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Vale of Rheidol Railway Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

All figures are presented in British Stirling, which is the functional currency of the company, and are rounded to the nearest £1.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings, drawn up to 31 December 2017. The subsidiary is Vale of Rheidol Trading Limited, a company incorporated in England and Wales, and is 100% owned by the charity.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a profit after tax for the financial year of £304,847 (2016 - £322,021).

Vale of Rheidol Railway Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

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

The results of subsidiaries acquired or disposed of during the year are included in the statement of financial activities from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the charity and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Going concern

The trustees consider that there are no material uncertainties about the group's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the group.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Vale of Rheidol Railway Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Grants receivable

Grants are recognised when the group has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Vale of Rheidol Railway Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets of any value are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Work completed in the restoration of assets is funded by surpluses from the Vale of Rheidol Railway Limited and loans from the Phyllis Rampton Narrow Gauge Railway Trust.

Heritage assets

Owing to the unique nature of the heritage assets, the costs of obtaining valuations would be onerous compared with the corresponding benefits to the charitable company and the users of the financial statements. The heritage assets are therefore shown at original cost and are not depreciated. The objective of heritage assets is to display them in the proposed museum. As much documentation as to the provenance of heritage assets is obtained and retained by the charitable company. Access to the assets is carefully managed in order for preservation.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Land and Buildings	Buildings that are under considerable maintenance are not depreciated, others are at rates from 7 to 50 years straight line
Plant and machinery	10% or 20% or 25% straight line
Motor vehicles	20% straight line
Civil engineering and track	2% straight line on track only

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Vale of Rheidol Railway Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the group.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Vale of Rheidol Railway Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Vale of Rheidol Railway Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Investments

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Vale of Rhaidol Railway Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

2 Income from donations and legacies

	Unrestricted funds			
	General £	Restricted funds £	Total 2017 £	Total 2016 £
Donations and legacies;				
Donations from individuals	394,671	-	394,671	393,951
Legacies	105,430	-	105,430	59,024
Gift aid reclaimed	76,316	-	76,316	74,767
Grants, including capital grants;				
Government grants	-	134,153	134,153	126,679
	<u>576,417</u>	<u>134,153</u>	<u>710,570</u>	<u>654,421</u>

3 Income from charitable activities

	Unrestricted funds		
	General £	Total 2017 £	Total 2016 £
Train fares	<u>595,170</u>	<u>595,170</u>	<u>490,670</u>

4 Income from other trading activities

	Unrestricted funds		
	General £	Total 2017 £	Total 2016 £
Trading income;			
Sales of goods and services	183,313	183,313	192,323
Other trading income	12,363	12,363	10,091
Lotteries and competitions income	-	-	2,385
Other income from other trading activities	<u>1,219</u>	<u>1,219</u>	<u>(59,024)</u>
	<u>196,895</u>	<u>196,895</u>	<u>145,775</u>

5 Investment income

	Total 2017 £	Total 2016 £
Other income from fixed asset investments	<u>-</u>	<u>1,989</u>

Vale of Rheidol Railway Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

6 Expenditure on charitable activities

		Unrestricted funds	Total 2017	Total 2016
	Note	General £	£	£
Train fares		469,523	469,523	374,430
Staff costs		187,206	187,206	130,729
Allocated support costs	7	282,485	282,485	219,356
Governance costs	7	258,697	258,697	247,853
		<u>1,197,911</u>	<u>1,197,911</u>	<u>972,368</u>

Vale of Rheidol Railway Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

£1,197,911 (2016 - £875,689) of the above expenditure was attributable to unrestricted funds and £Nil (2016 - £96,679) to restricted funds.

7 Analysis of governance and support costs

Support costs allocated to charitable activities

	Basis of allocation	Other support costs £	Total 2017 £	Total 2016 £
Train fares		282,485	282,485	219,356

Governance costs

	Unrestricted funds General £	Total 2017 £	Total 2016 £
Staff costs			
Wages and salaries	92,897	92,897	96,842
Audit fees			
Audit of the financial statements	5,500	5,500	7,685
Legal fees	15,232	15,232	10,885
Marketing and publicity	59,131	59,131	48,736
Depreciation, amortisation and other similar costs	84,654	84,654	81,949
Other governance costs	1,283	1,283	1,756
	<u>258,697</u>	<u>258,697</u>	<u>247,853</u>

8 Net incoming/outgoing resources

Net incoming resources for the year include:

	2017 £	2016 £
Depreciation of fixed assets	<u>84,654</u>	<u>81,949</u>

9 Trustees remuneration and expenses

During the year the group made the following transactions with trustees:

Mr L A Iolo

Mr L A Iolo received remuneration of £43,750 (2016: £40,000) during the year.

No trustees have received any other benefits from the charity during the year.

Vale of Rheidol Railway Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

10 Staff costs

The aggregate payroll costs were as follows:

	2017 £	2016 £
Staff costs during the year were:		
Wages and salaries	275,235	219,105
Other staff costs	<u>4,868</u>	<u>6,930</u>
	<u><u>280,103</u></u>	<u><u>226,035</u></u>

The monthly average number of persons (including senior management team) employed by the group during the year expressed as full time equivalents was as follows:

	2017 No	2016 No
Operation of the railway	31	24
Administration and support	<u>6</u>	<u>7</u>
	<u><u>37</u></u>	<u><u>31</u></u>

24 (2016 - 21) of the above employees participated in the Defined Contribution Pension Schemes.

0 (2016 - 0) of the above employees participated in the Defined Benefit Pension Schemes.

No employee received emoluments of more than £60,000 during the year.

11 Auditors' remuneration

	2017 £	2016 £
Audit of the financial statements	<u>5,500</u>	<u>7,685</u>

Vale of Rheidol Railway Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

12 Taxation

The group is a registered charity and is therefore exempt from taxation.

13 Tangible fixed assets

Group

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 January 2017	2,290,314	1,210,771	3,501,085
Additions	<u>436,186</u>	<u>23,576</u>	<u>459,762</u>
At 31 December 2017	<u>2,726,500</u>	<u>1,234,347</u>	<u>3,960,847</u>
Depreciation			
At 1 January 2017	84,784	491,563	576,347
Charge for the year	<u>34,012</u>	<u>50,642</u>	<u>84,654</u>
At 31 December 2017	<u>118,796</u>	<u>542,205</u>	<u>661,001</u>
Net book value			
At 31 December 2017	<u>2,607,704</u>	<u>692,142</u>	<u>3,299,846</u>
At 31 December 2016	<u>2,205,530</u>	<u>719,208</u>	<u>2,924,738</u>

Charity

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 January 2017	2,290,314	1,210,771	3,501,085
Additions	<u>436,186</u>	<u>23,576</u>	<u>459,762</u>
At 31 December 2017	<u>2,726,500</u>	<u>1,234,347</u>	<u>3,960,847</u>
Depreciation			
At 1 January 2017	84,784	491,563	576,347
Charge for the year	<u>34,012</u>	<u>50,642</u>	<u>84,654</u>
At 31 December 2017	<u>118,796</u>	<u>542,205</u>	<u>661,001</u>
Net book value			
At 31 December 2017	<u>2,607,704</u>	<u>692,142</u>	<u>3,299,846</u>
At 31 December 2016	<u>2,205,530</u>	<u>719,208</u>	<u>2,924,738</u>

Vale of Rheidol Railway Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

14 Heritage assets

Group

	Other heritage asset class 1 £	Total £
Cost		
At 1 January 2017	2,412,356	2,412,356
Additions	<u>172,282</u>	<u>172,282</u>
At 31 December 2017	<u>2,584,638</u>	<u>2,584,638</u>
Depreciation		
At 1 January 2017	<u>229,243</u>	<u>229,243</u>
At 31 December 2017	<u>229,243</u>	<u>229,243</u>
Net book value		
At 31 December 2017	<u><u>2,355,395</u></u>	<u><u>2,355,395</u></u>

Summary of transactions

Charity

	Other heritage asset class 1 £	Total £
Cost		
At 1 January 2017	2,412,356	2,412,356
Additions	<u>172,282</u>	<u>172,282</u>
At 31 December 2017	<u>2,584,638</u>	<u>2,584,638</u>
Depreciation		
At 1 January 2017	<u>229,243</u>	<u>229,243</u>
At 31 December 2017	<u>229,243</u>	<u>229,243</u>
Net book value		
At 31 December 2017	<u><u>2,355,395</u></u>	<u><u>2,355,395</u></u>

Summary of transactions

Vale of Rheidol Railway Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

15 Fixed asset investments

Group

	2017	2016
	£	£
Other investments	<u>61,310</u>	<u>61,310</u>

Details of undertakings

Details of the investments in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Vale of Rheidol Railway Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

[Details of undertakings](#)

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings				
Vale of Rheidol Trading Limited	England & Wales	Ordinary	100%	Specialist retail and the repair of railway equipment

Vale of Rheidol Railway Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

Other investments

	Listed investments £	Total £
Cost or Valuation		
At 1 January 2017	<u>61,310</u>	<u>61,310</u>
At 31 December 2017	<u>61,310</u>	<u>61,310</u>
Net book value		
At 31 December 2017	<u>61,310</u>	<u>61,310</u>
At 31 December 2016	<u>61,310</u>	<u>61,310</u>

Subsidiaries

The wholly owned trading subsidiary donates all its profits to the parent charitable company under gift aid. The Vale of Rheidol Trading Limited therefore has no profits or reserves for this or the preceding period.

Charity

	2017 £	2016 £
Shares in group undertakings and participating interests	100	100
Other investments	<u>61,310</u>	<u>61,310</u>
	<u>61,410</u>	<u>61,410</u>

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 January 2017	<u>100</u>	<u>100</u>
At 31 December 2017	<u>100</u>	<u>100</u>
Net book value		
At 31 December 2017	<u>100</u>	<u>100</u>
At 31 December 2016	<u>100</u>	<u>100</u>

Other investments

Vale of Rheidol Railway Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

	Listed investments £	Total £
Cost or Valuation		
At 1 January 2017	<u>61,310</u>	<u>61,310</u>
At 31 December 2017	<u>61,310</u>	<u>61,310</u>
Net book value		
At 31 December 2017	<u>61,310</u>	<u>61,310</u>
At 31 December 2016	<u>61,310</u>	<u>61,310</u>

16 Stock

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Stocks	<u>61,299</u>	<u>38,814</u>	<u>4,416</u>	<u>6,570</u>

17 Debtors

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	28,456	17,823	9,604	543
Due from group undertakings	-	-	81,564	43,814
Prepayments	450	450	450	450
Accrued income	69	80,164	69	80,164
VAT recoverable	32,870	17,803	32,870	17,803
Other debtors	-	2,803	-	2,499
	<u>61,845</u>	<u>119,043</u>	<u>124,557</u>	<u>145,273</u>

Vale of Rheidol Railway Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

Group debtors includes £Nil (2016: £43,814) receivable after more than one year.

	Group 2017 £	2016 £	Charity 2017 £
Due from group undertakings	-	43,814	-

18 Creditors: amounts falling due within one year

	Group 2017 £	2016 £	Charity 2017 £	2016 £
Trade creditors	74,198	23,936	71,285	15,056
Hire purchase and finance leases	15,037	18,391	15,037	18,391
Other taxation and social security	45,627	43,487	45,627	43,487
VAT grant repayable	2,597	2,866	-	-
Other creditors	-	(1)	-	-
Accruals	14,587	13,500	12,587	10,500
Deferred income	1,250	1,250	1,250	1,250
	<u>153,296</u>	<u>103,429</u>	<u>145,786</u>	<u>88,684</u>

19 Creditors: amounts falling due after one year

	Group 2017 £	2016 £	Charity 2017 £	2016 £
Other loans	3,593,495	3,508,576	3,593,495	3,508,576
Hire purchase and finance leases	32,314	45,382	32,314	45,382
Other creditors	1	-	2	-
Deferred income	23,499	23,499	23,499	23,499
	<u>3,649,309</u>	<u>3,577,457</u>	<u>3,649,310</u>	<u>3,577,457</u>

20 Obligations under leases and hire purchase contracts

The total value of future minimum lease payments was as follows:

[Repayable under finance leases and hire purchase contracts](#)

	Group 2017 £	2016 £	Charity 2017 £
Within one year	(15,037)	(18,391)	-
In two to five years	(32,314)	(45,382)	-
	<u>(47,351)</u>	<u>(63,773)</u>	-

Vale of Rheidol Railway Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

Assets held under finance leases

Group

Plant and machinery

The net book value of assets held under Hire Purchase or Finance Lease arrangements is £1,540 (2016 : £4,701)

Land and buildings

The net book value of assets held under Hire Purchase or Finance Lease arrangements is £56,130 (2016 : £76,745)

21 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

22 Funds

Group

	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Balance at 31 December 2017 £
Unrestricted funds				
<i>General</i>				
Unrestricted	890,087	1,368,482	(1,197,912)	1,060,657
Restricted funds				
Restricted	517,398	134,153	-	651,551
Endowment funds				
<i>Expendable</i>				
Endowment	<u>633,650</u>	<u>-</u>	<u>-</u>	<u>633,650</u>
	<u>633,650</u>	<u>-</u>	<u>-</u>	<u>633,650</u>
Total funds	<u><u>2,041,135</u></u>	<u><u>1,502,635</u></u>	<u><u>(1,197,912)</u></u>	<u><u>2,345,858</u></u>

Vale of Rheidol Railway Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

	Balance at 1 January 2016 £	Incoming resources £	Resources expended £	Balance at 31 December 2016 £
Unrestricted funds				
<i>General</i>				
Unrestricted	597,964	1,166,176	(874,053)	890,087
Restricted funds				
Restricted	487,398	126,679	(96,679)	517,398
Endowment funds				
<i>Expendable</i>				
Endowment	633,650	-	-	633,650
	633,650	-	-	633,650
Total funds	<u>1,719,012</u>	<u>1,292,855</u>	<u>(970,732)</u>	<u>2,041,135</u>

Vale of Rheidol Railway Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

Charity

	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Balance at 31 December 2017 £
Unrestricted funds				
<i>General</i>				
General	890,086	1,286,465	(1,115,772)	1,060,779
Restricted funds				
Restricted	517,398	134,153	-	651,551
Endowment funds				
<i>Expendable</i>				
Endowment	633,650	-	-	633,650
	633,650	-	-	633,650
Total funds	2,041,134	1,420,618	(1,115,772)	2,345,980
	Balance at 1 January 2016 £	Incoming resources £	Resources expended £	Balance at 31 December 2016 £
Unrestricted funds				
<i>General</i>				
General	597,964	1,166,176	(874,054)	890,086
Restricted funds				
Restricted	487,398	126,679	(96,679)	517,398
Endowment funds				
<i>Expendable</i>				
Endowment	633,650	-	-	633,650
	633,650	-	-	633,650
Total funds	1,719,012	1,292,855	(970,733)	2,041,134

The specific purposes for which the funds are to be applied are as follows:

The endowment fund relates to assets from British Rail as at 1 April 1989.

Restricted funds include grants received from the Welsh Assembly Government for the ongoing running costs of the shed and workshop. New restricted funds this year relate to the Trackwork claim which was unspent as the year end.

Vale of Rhaidol Railway Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

23 Analysis of net assets between funds

Group

	Unrestricted funds General £	Total funds £
Tangible fixed assets	3,299,846	3,299,846
Heritage assets	2,355,395	2,355,395
Fixed asset investments	61,310	61,310
Current assets	431,912	431,912
Current liabilities	(153,296)	(153,296)
Creditors over 1 year	(3,649,309)	(3,649,309)
Total net assets	<u>2,345,858</u>	<u>2,345,858</u>

Charity

	Unrestricted funds General £	Total funds £
Tangible fixed assets	3,299,846	3,299,846
Heritage assets	2,355,395	2,355,395
Fixed asset investments	61,410	61,410
Current assets	424,425	424,425
Current liabilities	(145,786)	(145,786)
Creditors over 1 year	(3,649,310)	(3,649,310)
Total net assets	<u>2,345,980</u>	<u>2,345,980</u>

Vale of Rheidol Railway Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

24 Analysis of net funds

Group

	At 1 January 2017 £	Cash flow £	At 31 December 2017 £
Cash at bank and in hand	386,171	(90,719)	295,452
Finance leases and hire purchase contracts	(63,773)	16,422	(47,351)
Net debt	<u>322,398</u>	<u>(74,297)</u>	<u>248,101</u>

25 Related party transactions

Group

During the year the group made the following related party transactions:

Phyllis Rampton Narrow Gauge Railway Trust

(The charitable trust is the ultimate parent entity)

The balance owed between the companies arose as a result of monies advanced to Vale of Rheidol Railway Limited to further its charitable activities. The loan is interest free and subject to a notice period of at least 365 days. At the balance sheet date the amount due to Phyllis Rampton Narrow Gauge Railway Trust was £3,593,495 (2016 - £3,508,576).

Charity

During the year the charity made the following related party transactions:

Llyr Engineering

(An unincorporated entity owned by trustee Mr L A Iolo)

£8,400 (2016 - £5,000) was paid to Llyr Engineering in respect of professional services. At the balance sheet date the amount due to/from Llyr Engineering was £Nil (2016 - £Nil).

26 Parent and ultimate parent undertaking

The company's immediate parent is Phyllis Rampton Narrow Gauge Railway Trust, incorporated in England & Wales.

These financial statements are available upon request from the registered office or the Charity Commission.