



DRAFT

**KEIGHLEY AND WORTH VALLEY
RAILWAY
PRESERVATION SOCIETY
LTD**

Company Limited by Guarantee

**CONSOLIDATED
FINANCIAL STATEMENTS**

31 DECEMBER 2021

Company registration number: 07135945

Charity registration number: 1136853



Spenser Wilson
Chartered Accountants & Business Advisers

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

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**KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION
SOCIETY LTD**

DRAFT

COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)

YEAR ENDED 31 DECEMBER 2021

The trustees, who are also the directors for the purposes of company law, present their report and the Consolidated financial statements of the charity for the year ended 31 December 2021.

REFERENCE AND ADMINISTRATIVE DETAILS

REGISTERED CHARITY NAME Keighley and Worth Valley Railway Preservation Society Ltd

CHARITY REGISTRATION

NUMBER 1136853

COMPANY REGISTRATION

NUMBER 07135945

**PRINCIPAL OFFICE AND
REGISTERED OFFICE**

The Railway Station
Station Road
Haworth
BD22 8NJ

THE TRUSTEES

P Balmforth
W N Bennett
W H Black
A Brown
J Duijsters
R M R Graham
R Higgins (Resigned 7 August 2021)
J Hinchcliffe (Appointed 10 March 2021)
J Hoyle
R Hustwick
P Lawton (Resigned 7 August 2021)
P Oliver
K Pilsworth
T Ruddock
C G Smyth
Dr M J Stroh (Chairman)
M Tarran

COMPANY SECRETARY

R Batty

AUDITOR

Spenser Wilson Ltd
Chartered Accountants & Statutory Auditor
Equitable House
55 Pellon Lane
Halifax
West Yorkshire
HX1 5SP

BANKERS

Barclays Bank Plc
77 North Street
Keighley
BD21 3SA

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) (continued)

YEAR ENDED 31 DECEMBER 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Keighley & Worth Valley Railway Preservation Society Limited is a company limited by guarantee governed by its Memorandum and Articles of Association dated 19 January 2010. It is registered as a charity with the Charity Commission (number 1136852).

Trustees

Trustees, who are also the Directors of the Charity, are elected for three years by Members at the Annual General Meeting. They are appointed on the basis of their personal skills/experience and their commitment to the charity.

Trustees must be a member of the Charity, over 18 years old and not disqualified from acting as a Trustee under the Charities Act 2011.

Members who wish to be proposed as a Trustee must give notice to the Charity at least 45 days before the Annual General Meeting. Members receive at least 14 days' notice of the Annual General Meeting and are entitled to vote in person or by proxy.

At any one time there should be a minimum of two Trustees, but no maximum. At the date of this report, there are 16 Trustees.

No person or body, other than Members at the Annual General Meeting, or Trustees at a meeting, have the power to remove Trustees from office.

Trustee training

Following their election, Trustees are given briefing notes for the conduct of Directors produced by the Heritage Railway Association and the Charity Commission's guidance for Trustees. The Chairman, Company Secretary and Finance Director provide further guidance as is necessary. All Trustees are familiar with the Railway as members and most have volunteered for many years.

Organisation

The Trustees manage the business of the Charity and each has responsibility for a specific part of the Charity's operations. There are also at least two Trustees representing members' interests.

The Charity has two related parties as follows:

- The Keighley and Worth Valley Light Railway Limited is a wholly owned subsidiary of the Charity, whose function is to operate the Railway and undertake commercial activities. It is a private limited company, incorporated in England and Wales, and wholly controlled by the Charity. Directors of the subsidiary are appointed by the Trustees of the Charity. Up to half of the total number of Directors of the subsidiary may also be Trustees of the Charity. The subsidiary also directly employs technical, professional and administrative support staff who, along with the directors, undertake the day-to-day running of the subsidiary. The Keighley and Worth Valley Light Railway Limited is included in these consolidated accounts.
 - The Keighley and Worth Valley Railway Trust is also a charity established to support the work of the Railway. Whilst the Trustees act independently, they are appointed by the Charity (KWVRPS) and the Trust can only support projects that are ratified by the Board of the Charity (KWVRPS)
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KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) (continued)

YEAR ENDED 31 DECEMBER 2021

Risk management

The Trustees consider that the following are the most significant risks to the continued operation of the Railway:

- Safe operating: unsafe operations could result in an incident that prevents the Railway from running. To mitigate this risk, the Railway has a full Safety Management System in place and a clearly defined procedure for its review, amendment and approval.
- A catastrophic infrastructure event: such an event could compromise the ability to operate the Railway. To mitigate this risk, the Railway has in place an on-going programme of preventive maintenance procedures. It also maintains appropriate insurance to further protect it from such events.
- Loss of volunteer resource: volunteers form the core of the Railway's workforce and without their on-going support, the Railway would cease to be financially viable and unable to meet its charitable objects. Both the Charity and the operating subsidiary actively manage the Railway's wide base of volunteer skill and time to mitigate this risk.
- Attract the public to visit the Railway: The sustainability of the Railway is based on sustaining the interest of the public. Continuing interest is ultimately central to the Charity's continued income and relevance.

OBJECTIVES AND ACTIVITIES

Objects and aims

The Charity has four objects in its articles of association. In summary they are:

1. the preservation, operation, restoration, maintenance and protection of the Keighley and Worth Valley Railway (the railway),
2. the preservation of archives, records and artifacts relating to the railway,
3. the education of the public through the operation of the railway,
4. other charitable purposes for the advancement of education associated with the railway.

The aim of the railway is to achieve its objects in a manner that is financially sustainable.

Public benefit

The Charity has continued to meet its charitable objects in the operation and preservation of the Railway and continues to seek to contribute to the local community through its programme of events. The operation of the Railway provides a wider benefit by seeking to sustain traditional engineering skills; by providing a welcoming environment for volunteers to develop new skills and competencies; and by sharing knowledge between similar organisations.

The Trustees confirm that they have each complied with their duties under section 17 (5) of the Charities Act 2011 to have due regard to the guidance on public benefit published by the Charity Commission when carrying out their roles and responsibilities.

Environmental policy

The Railway has developed an Environmental policy and covers this topic regularly at board meetings with a project co-ordinator leading this activity. We monitor closely the amount of energy used by the Railway including gas, electricity, coal and diesel. The Railway's policy includes objectives to minimise unnecessary smoke, reuse materials where possible and minimise noise where feasible.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)

(continued)

YEAR ENDED 31 DECEMBER 2021

Objectives for the year

The Charity continued to have three primary objectives:

1. To maintain an underlying operational surplus to enable investment in essential capital and investment expenditure requirements to be met through:
 - a) maintaining passenger income (from fares and events) at least at the previous year's level;
 - b) retaining sufficient unrestricted and undesignated cash reserves whilst undertaking capital projects to maintain and enhance the Railway's assets and facilities;
 - c) developing longer-term funding and project plans to enable the Charity to continue to meet the Railway's charitable objects.
2. Through the Charity's trading subsidiary, develop an appropriate commercial plan, with a particular focus on enhancing the Railway's events, catering, drinks and retail offering.
3. To develop long-term plans for the sustainability of the volunteer operation of the Railway.

Strategies for the year

1. Continue to manage costs carefully through a period of challenging economic conditions and to maintain income levels whilst not endangering the long-term future of the Railway.
2. Establishment of a longer-term programme of strategic initiatives designed to enhance the commercial activities and invest in capital projects and infrastructure (principally on the planned civil maintenance bridge replacement and groundworks projects and the maintenance of the locomotive and rolling stock fleet).
3. Implement promotions activities and events aimed at retaining the number of passengers to at least the prior year level and to implement plans to increase revenue per passenger (from drinks, catering and retail).

Challenges during the year

The year of 2021 started with the country returning to lockdown as a result of high levels of cases of the Covid-19 virus. This resulted in the Railway not being able to run public trains until April and hold no events until late summer. When services were resumed in April, this was carried out with pre-booked services only and the use of compartment stock, rather than standard "Open Tourist" type coaches. This inevitably reduced visitor numbers and income during the late spring/ early summer season. Trading picked up strongly when Covid restrictions were lifted in the summer.

In order to protect the financial position of the Railway, our maintenance programme was reduced versus the pre-Covid period, although some smaller developments did take place for example the redevelopment of the Keighley toilets, the replacement of Gates at Oakworth and repairs to the roof of the Water Tower at Keighley.

The Railway's café/ bar "The Old Parcels Office" at Keighley was closed for much of the year as result of the Covid lockdown, reduced passenger numbers at Keighley station (from Network Rail) and maintenance issues with the property.

Significant effort has been put into our fundraising activities in order to meet the gap left by the Railway's inability to operate.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)

(continued)

YEAR ENDED 31 DECEMBER 2021

We are very grateful to the members and others who donated significant sums to our appeals. We are especially grateful to the Department of Culture, Media and Sport (DCMS) which (via the National Heritage Lottery Fund) who gave the Railway a series of grants during 2021. The Government's Towns' Fund also provided grant funding for several projects, including the restoration of the toilets at Keighley Station; the purchase and restoration of a BSK vehicle that will provide further accessible accommodation for passengers as well as help provide further on-train catering; and the replacement of the crossing gates at Oakworth.

In the longer-term we, like other heritage railways, remain concerned for the continued supply of coal and the price of diesel. This issue has been further exacerbated by the Russia/ Ukraine war and inflation in world energy prices.

The high inflation rate of the price of commodities, such as concrete, building materials and steel, is also presenting a challenge for the future.

Significant activities during the year and volunteer involvement

Beyond the operation of the Railway (when we have been permitted to do so) and the management and execution of key events in Autumn (such as our Christmas event, "The Elf Express"), the most significant activity has been the fundraising effort. It has been a huge volunteer effort involving the whole Railway to achieve such a great success, and our particular thanks go to the fundraising team that has taken a lead on the fundraising activities during these difficult times.

In October 2021 we were very pleased to welcome Lord Neil Mendoza (the Government Commissioner for Cultural Recovery and Renewal) to the Railway to discuss the value and importance of the support provided by the DCMS. We believe this visit has helped the DCMS better understand Heritage Railways as part of the nation's culture.

The Railway was used for the filming of a new feature film "The Railway Children Return". This has been a useful income stream for the Railway, but it is anticipated that the real benefit will be as a result of the publicity relating to the release of the film in July 2022. Over 50 years after the release of the original "The Railway Children", the Keighley and Worth Valley Railway remains strongly associated with the family favourite film.

The Trustees would like to thank all those volunteers who continue to contribute to the success and achievements of the Railway. At the times we were allowed to do so, the core Railway activity continued to be the operation of steam and heritage diesel services on all weekends during the year and on those weekdays coinciding with school holidays and other days as deemed commercially viable. The operation demands a great deal from our volunteers and our volunteers run a programme of events through the year that make a very significant contribution to the Railway's finances. Also we have many volunteers who continue to work tirelessly on the maintenance of the Railway and its property and assets.

No attempt has been made to quantify the financial value of the work of the volunteers, but the Trustees acknowledge that the Railway would not be financially viable without their continued contribution. The Trustees monitor the number of new volunteers joining the Railway team.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) *(continued)*

YEAR ENDED 31 DECEMBER 2021

Safeguarding our customers, volunteers and staff

We treat the personal safety of our customers, volunteers and staff very seriously - especially those who may be young or vulnerable. As a result the Railway employs a co-ordinator to look after the interests of young people and carry out DBS (Disclosure and Barring Service) checks as required.

STRATEGIC REPORT

The following sections for achievements and performance and financial review form the strategic report of the charity.

ACHIEVEMENTS AND PERFORMANCE

Achievement of objectives

The Trustees are pleased that the Railway has achieved its objectives relating to sound financial management and investment into infrastructure and we continue to operate with a very strong operational fleet. The focus during the year shifted from the response to the impact of the global pandemic to a more normal operation of timetabled trains and events. We were unable to operate trains at all in the first quarter of the year and then for several months only on a restricted basis, before operating normally from late summer onwards. This is reflected in the attached financial statements.

Fundraising

As discussed above, the Charity's focus in the first half of the year has been on raising funds from targeted fund-raising campaigns, to complement the depleted income from fares and events. The fundraising team were able to raise such funds that meant the unrestricted reserves of the Railway were not drained.

FINANCIAL REVIEW

The financial statements for 2021 are almost incomparable with the comparative period for the year ended 31 December 2020 (and indeed year ended 31 December 2019) due to the impact of the pandemic on the Railway's operation.

The first half of the year saw very limited income from passenger/ event income, but high level of support from our fundraising activities and DCMS grants. Income in the second half of the year was strong as the Railway benefited from the "Staycation boom". Our popular "Beer and Music" event in October was well attended and our "Elf Express" Christmas offer was again a "sell out".

Despite the challenges, the funds of the Charity, net of restricted funds, has remained materiality consistent with the prior year £4,997,469: (2020: £4,627,454) and this is testimony to the focus on fund raising and cost management during the year. Total income fell from £2m to £1.6m in 2020 and rose to £2.2m in 2021, but costs (net of taxation) increased by £259,629 and cash increased from £654,281 to £1,264,198 at 31 December 2021. A £50,000 Covid-19 Bounce Back Loan was paid off in June 2021.

All projects have been funded from both existing cash reserves, on-going fund-raising initiatives and operating activities.

The Charity has restricted fund (£5,692) relating to previous fundraising for two locomotives (Ivatt 41241 and 4F 43924).

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)

(continued)

YEAR ENDED 31 DECEMBER 2021

The employees of the Railway are employed by the Operating Company, the Keighley and Worth Valley Light Railway Ltd. Regrettably some roles were lost in 2021, which involved redundancy and/or ex-gratia payments being made.

Relationship with Suppliers

The Railway recognises that its suppliers (along with customers, volunteers, members and staff) are a key "stakeholder" in the Railway. As such the Railway's policy is to pay invoices for satisfactory work to the terms agreed between the Railway and the contractor. The Railway uses local suppliers where feasible.

Policy on reserves

The Charity's policy is to hold a minimum of £150,000 unrestricted and undesignated cash at bank as a reserve against the realisation of any of the risks set out in the Risk Management section and aims to hold a working capital reserve (net of current assets) of at least £50,000 at 31 December each year, although the working capital requirement is higher than this during our intensive summer running period of operation. Cash at bank stood at £1,264,198 (2020: £654,281) at the end of the year and there were no breaches of the reserve policy at any time during the year. Cash reserves (unrestricted reserves and designated funds) historically have normally been within the range of £400,000 to £750,000. Net current assets at the year-end remain well within historic norms for the Railway, totalling £1,192,537 (2020: £645,263).

Principal Funding sources

The principal funding sources of the railway are income from operations and a combination of membership subscriptions, grants and donations. The balance between these income streams changed during 2021 compared with prior years, with higher levels of grants/ donations versus operational income.

PLANS FOR FUTURE PERIODS

The Trustees are committed to a number of initiatives over the medium term. These include:

- Protection and development of income from Railway operations through enhancement of visitor experience.
- Increase of the contribution to surplus from events, drinks, catering and retail operations through expanding the events and catering offering, as well as creating new channels for retail operations (online web-shop and ticketing).
- The Trustees also recognise their duty to continue the programme of maintenance and capital expenditure to ensure the longevity of Railway assets under their care and expect to increase current levels of expenditure into the future. Financially, the Trustees expect to manage costs prudently to realise a modest operating surplus year-on-year (after maintenance costs). Any surplus is expected to be re-invested in capital expenditure programmes in future years. The Trustees also acknowledge that it will be necessary to be proactive in seeking funding from grant-making bodies so that development initiatives can be fully realised.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) *(continued)*

YEAR ENDED 31 DECEMBER 2021

Investment Strategy

As at the time of writing this report in June 2022, the Charity holds a cash balance of over £850k (covering unrestricted reserves and funds designated to future projects), with its subsidiary the Keighley and Worth Valley Light Railway Ltd holding a balance that covers at least eight weeks trading.

The UK is currently suffering the highest rate of inflation in a generation. As referred to earlier, this is particularly an issue with energy (coal and diesel), steel and building materials. This potential erosion of the purchasing power has forced the Charity to consider how it can offset this problem. Consequently, an investment strategy is being developed so that the Railway we can obtain a return on its funds.

The Charity is wary of losses, and has no appetite for high levels of risk, but the impact and real cost of inflation is a certainty. The Railway has developed plans to invest in a portfolio which is cautious/ offers a low to moderate risk. This means that the Charity will invest the majority of its funds split fairly evenly between cash/ fixed interest accounts, equities (from a variety of sectors and geographies) and alternative investment vehicles (where there is a lower level of volatility) such as real estate income funds, infrastructure funds and investment funds.

The Finance Director will follow closely the performance of these investments and he will keep the Directors/ Trustees up to date with the results.

FUNDS HELD AS CUSTODIAN TRUSTEE

Neither the Charity nor its Trustees are acting as custodian trustees for funds held on behalf of others.

TRUSTEES' RESPONSIBILITIES STATEMENT

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

Company law requires the charity trustees to prepare Consolidated financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these Consolidated financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting 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 Consolidated financial statements;
- prepare the Consolidated financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)
(continued)

YEAR ENDED 31 DECEMBER 2021

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

AUDITOR

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees' annual report and the strategic report were approved on 22 July 2022 and signed on behalf of the board of trustees by:

DRAFT

DR M J STROH
Chairman of the Trustees

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

YEAR ENDED 31 DECEMBER 2021

OPINION

We have audited the financial statements of Keighley and Worth Valley Railway Preservation Society Ltd (the parent charitable company) and its subsidiary (the group) for the period ended 31 December 2021 which comprise the consolidated statement of financial activities (including income and expenditure account), consolidated statement of financial position, charitable company statement of financial positions, consolidated statement of cash flows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the Consolidated financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 consolidated financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the Consolidated financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the Consolidated financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the date when the Consolidated financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD *(continued)*

YEAR ENDED 31 DECEMBER 2021

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the Consolidated financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the Consolidated 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.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated 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 Consolidated 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.

OPINIONS 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 for the financial year for which the Consolidated financial statements are prepared is consistent with the Consolidated financial statements; and
- the trustees' report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
 - the Consolidated 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.
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KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD *(continued)*

YEAR ENDED 31 DECEMBER 2021

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the Consolidated 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 Consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated financial statements.

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
 - we identified the laws and regulations applicable to the company through discussions with directors and other management;
 - we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company;
 - we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
 - identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.
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KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD *(continued)*

YEAR ENDED 31 DECEMBER 2021

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the Consolidated 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.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD *(continued)*

YEAR ENDED 31 DECEMBER 2021

This report is made solely to the charitable company's members, 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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DRAFT
Senior Statutory Auditor (Senior Statutory Auditor)

For and on behalf of
Spenser Wilson Ltd
Chartered Accountants & statutory auditor
Equitable House
55 Pellon Lane
Halifax
West Yorkshire
HX1 5SP

8 August 2022

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 DECEMBER 2021

		Unrestricted funds	2021 Restricted funds	Total funds	2020 Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	5	802,881	–	802,881	791,621
Charitable activities	6	961,074	–	961,074	521,785
Other trading activities	7	468,861	–	468,861	178,549
Investment income	8	4,630	–	4,630	65,704
Total income		<u>2,237,446</u>	<u>–</u>	<u>2,237,446</u>	<u>1,557,659</u>
Expenditure					
Expenditure on raising funds:					
Costs of other trading activities	9	263,506	–	263,506	264,495
Expenditure on charitable activities	10,11	1,623,798	–	1,623,798	1,113,930
Taxation	13	(19,873)	–	(19,873)	229,377
Total expenditure		<u>1,867,431</u>	<u>–</u>	<u>1,867,431</u>	<u>1,607,802</u>
Net income/(expenditure) and net movement in funds					
		<u>370,015</u>	<u>–</u>	<u>370,015</u>	<u>(50,143)</u>
Reconciliation of funds					
Total funds brought forward		4,627,454	5,692	4,633,146	4,683,289
Total funds carried forward		<u>4,997,469</u>	<u>5,692</u>	<u>5,003,161</u>	<u>4,633,146</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 19 to 39 form part of these Consolidated financial statements.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

CHARITABLE COMPANY STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2021

	Note	2021	2020
		£	£
FIXED ASSETS			
Intangible assets	19	–	36,667
Tangible fixed assets	20	<u>4,201,838</u>	<u>4,348,243</u>
		4,201,838	4,384,910
CURRENT ASSETS			
Stocks	22	48,123	73,735
Debtors	23	73,465	123,631
Cash at bank and in hand		<u>1,264,198</u>	<u>654,281</u>
		1,385,786	851,647
CREDITORS: amounts falling due within one year	24	<u>193,249</u>	<u>206,384</u>
NET CURRENT ASSETS		<u>1,192,537</u>	<u>645,263</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,394,375	5,030,173
CREDITORS: amounts falling due after more than one year	25	181,710	169,675
PROVISIONS	28	<u>209,504</u>	<u>227,352</u>
NET ASSETS		<u><u>5,003,161</u></u>	<u><u>4,633,146</u></u>
FUNDS OF THE CHARITY			
Restricted funds		5,692	5,692
Unrestricted funds		<u>4,997,469</u>	<u>4,627,454</u>
Total charity funds	30	<u><u>5,003,161</u></u>	<u><u>4,633,146</u></u>

These Consolidated financial statements were approved by the board of trustees and authorised for issue on 22 July 2021, and are signed on behalf of the board by:

DRAFT
DR M J STROH
(Chairman)

The notes on pages 19 to 39 form part of these Consolidated financial statements.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

CHARITABLE COMPANY STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible fixed assets	20	2,189,290	2,254,086
Investments	21	1,857,183	1,857,183
		<u>4,064,473</u>	<u>4,111,269</u>
CURRENT ASSETS			
Debtors	23	700,242	286,520
Cash at bank and in hand		780,773	496,469
		<u>1,481,015</u>	<u>783,019</u>
CREDITORS: amounts falling due within one year	24	<u>41,629</u>	<u>29,605</u>
NET CURRENT ASSETS		<u>1,493,386</u>	<u>752,414</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,485,859</u>	<u>4,864,683</u>
NET ASSETS		<u>5,485,859</u>	<u>4,864,683</u>
FUNDS OF THE CHARITY			
Restricted funds		5,692	5,692
Unrestricted funds		5,480,167	4,858,831
Total charity funds	30	<u>5,485,859</u>	<u>4,864,683</u>

These financial statements were approved by the board of trustees and authorised for issue on 22 July 2021, and are signed on behalf of the board by:

DRAFT

DR M.J STROH

(Chairman)

The notes on pages 19 to 39 form part of these Consolidated financial statements.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income/(expenditure)	370,015	(50,143)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	215,060	191,497
Impairment of tangible fixed assets	121,462	–
Amortisation of intangible assets	–	3,333
Impairment of intangible assets	36,667	–
Other interest receivable and similar income	(4,630)	(6,374)
Taxation	(19,873)	229,377
Accrued expenses	6,267	138,816
<i>Changes in:</i>		
Stocks	25,612	24,322
Trade and other debtors	50,166	149,402
Trade and other creditors	44,658	(176,764)
Cash generated from operations	845,404	503,466
Interest received	4,630	6,374
Net cash from operating activities	850,034	509,840
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(190,117)	(334,962)
Purchase of intangible assets	–	(40,000)
Net cash used in investing activities	(190,117)	(374,962)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	(50,000)	50,000
Net cash (used in)/from financing activities	(50,000)	50,000
NET INCREASE IN CASH AND CASH EQUIVALENTS	609,917	184,878
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	654,281	469,403
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,264,198	654,281

The notes on pages 19 to 39 form part of these Consolidated financial statements.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

1. GENERAL INFORMATION

The charitable company is a public benefit entity and a private company limited by shares, registered in England and Wales. The address of the registered office is The Railway Station, Haworth, Keighley, West Yorkshire, BD22 8NJ.

2. STATEMENT OF COMPLIANCE

These Consolidated financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparation

The Consolidated financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through income or expenditure.

The Consolidated financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The Railway has demonstrated its resilience through one of the most unusual periods in its existence. Whilst there will be significant challenges as the economy recovers from the impact of the Covid-19 pandemic, now that the Railway has re-commenced operations and with the ongoing support of the Keighley and Worth Valley Preservation Society, the Directors are of the opinion that there are no material uncertainties about the company's ability to continue for the foreseeable future.

Consolidation

The financial statements consolidate the financial statements of the charitable company and all of its subsidiary undertakings.

The parent charitable company has applied the exemption contained in section 408 of the Companies Act 2006 and has not included its individual statement of financial activities (including income and expenditure account).

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

3. ACCOUNTING POLICIES *(continued)*

Judgements and key sources of estimation uncertainty

In the application of the charitable company's accounting policies, the directors 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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on the amounts recognised in the financial statements.

Depreciation

The charitable company exercises judgement to determine useful lives and residual values of property, plant and equipment. The assets are depreciated to their estimated residual values over their estimated useful lives.

Income tax

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

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charitable company's purposes.

Designated funds are unrestricted funds earmarked by the trustees for a particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

3. ACCOUNTING POLICIES *(continued)*

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charitable company, it is probable that the economic benefits associated with the transaction will flow to the charitable company and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impracticable to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

3. ACCOUNTING POLICIES *(continued)*

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the charity's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed five years.

Amortisation

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

Goodwill - fully amortised

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible fixed assets

Individual fixed assets are capitalised at cost and depreciated on a straight line basis over their estimated useful economic lives taking account of any residual values, as follows :

Depreciation

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

Depreciation rates (all calculated on a straight line basis):

Freehold land	Nil
Freehold buildings and civil works	2% per annum
Leasehold land and buildings	over the life of the lease
Property improvements	33% per annum
Locomotive restorations	10% per annum (see below)
Plant, machinery and equipment	10% per annum
Fixtures and fittings	10% per annum
Office equipment and furniture	20% per annum
Computer hardware and purchased software	33% per annum
Catering equipment	33% per annum

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

3. ACCOUNTING POLICIES *(continued)*

Depreciation *(continued)*

The Railway maintains its operating locomotives and other rolling stock items in full working order, and all routine maintenance costs are charged to the Statement of Financial Activities when incurred. Additionally, some items are held as a non-operating strategic reserve at their residual asset values. Locomotives and other rolling stock items are therefore considered to have indeterminate lives and the Directors do not consider it appropriate to charge depreciation except as set out below.

When a major renovation or restoration of a locomotive takes place, the relevant costs incurred are capitalised as fixed assets, and depreciated on a straight line basis from the point at which the locomotive re-enters service over its expected useful economic life (usually the ten-year life of a steam locomotive boiler ticket) down to the residual non-running value of the locomotive. When a major renovation or restoration takes place on a locomotive that remains the property of an independent owners' group and a long-term hire agreement is in place between the Charity's operating subsidiary and that owners' group, the costs incurred by the operating subsidiary are also capitalised as fixed assets and depreciated on a straight line basis over the expected useful economic life of that locomotive to the Charity.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Stocks

Stocks are measured at the lower of cost and net realisable value.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

3. ACCOUNTING POLICIES *(continued)*

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in income or expenditure unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in the statement of financial activities in the period it arises, and is allocated to the appropriate expenditure heading.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss. Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

4. LIMITED BY GUARANTEE

The charitable company is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

5. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
DONATIONS			
Bequests and donations	190,603	–	190,603
GIFTS			
Membership subscriptions	54,335	–	54,335
GRANTS			
Grants receivable	557,943	–	557,943
	<u>802,881</u>	<u>–</u>	<u>802,881</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
DONATIONS			
Bequests and donations	330,849	148	330,997
GIFTS			
Membership subscriptions	57,875	–	57,875
GRANTS			
Grants receivable	402,749	–	402,749
	<u>791,473</u>	<u>148</u>	<u>791,621</u>

6. CHARITABLE ACTIVITIES

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Fares	498,278	498,278	131,917	131,917
Loco Hire	–	–	27,648	27,648
Special events income	462,796	462,796	362,220	362,220
	<u>961,074</u>	<u>961,074</u>	<u>521,785</u>	<u>521,785</u>

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

7. OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Catering income	166,602	166,602	82,938	82,938
Shop income	121,129	121,129	71,499	71,499
Parking	–	–	3,360	3,360
Filming fees	151,408	151,408	833	833
Adverts	–	–	213	213
Sundries	7,163	7,163	280	280
Photo permits	–	–	3,755	3,755
Apprentice scheme	–	–	2,090	2,090
Scrap	22,559	22,559	13,581	13,581
	<u>468,861</u>	<u>468,861</u>	<u>178,549</u>	<u>178,549</u>

8. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Bank interest receivable	2,297	2,297	3,008	3,008
Rent receivable	2,333	2,333	62,696	62,696
	<u>4,630</u>	<u>4,630</u>	<u>65,704</u>	<u>65,704</u>

9. COSTS OF OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Shop	77,601	77,601	55,190	55,190
Catering	185,905	185,905	209,305	209,305
	<u>263,506</u>	<u>263,506</u>	<u>264,495</u>	<u>264,495</u>

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

10. EXPENDITURE ON CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Train services	694,873	694,873	402,568	402,568
Support costs	928,925	928,925	711,362	711,362
	<u>1,623,798</u>	<u>1,623,798</u>	<u>1,113,930</u>	<u>1,113,930</u>

11. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly £	Support costs £	Total funds 2021 £	Total fund 2020 £
Train services	694,873	610,203	1,305,076	798,413
Shop	–	22,520	22,520	21,713
Catering	–	31,529	31,529	21,713
Fundraising activities	–	135,963	135,963	176,096
Other activities	–	114,571	114,571	84,835
Governance costs	–	14,139	14,139	11,160
	<u>694,873</u>	<u>928,925</u>	<u>1,623,798</u>	<u>1,113,930</u>

The support costs of £928,925 (2020 - 711,362) are apportioned in this note across the charitable and other trading activities in the group as set out above and in note 12.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

12. ANALYSIS OF SUPPORT COSTS

	Train services £	Shop £	Catering £	Fund raising activities £	Other activities £	Total 2021 £	Total 2020 £
Staff costs	91,164	10,853	15,194	80,311	39,533	237,055	234,607
Premises	35,085	4,177	5,848	18,626	19,801	83,537	73,059
Communications and IT	12,798	1,524	2,133	—	14,017	30,472	23,644
General office	19,145	—	—	—	—	19,145	15,132
Governance costs	—	—	—	—	14,139	14,139	11,160
Insurance	19,642	2,338	3,274	—	21,513	46,767	50,927
Publicity	28,695	—	—	—	—	28,695	42,568
Bank charges	15,528	1,849	2,588	13,680	3,327	36,972	26,326
Sundry expenses	14,955	1,780	2,492	—	16,378	35,605	25,720
Depreciation	215,062	—	—	—	—	215,062	194,830
Push and Pull magazine	—	—	—	23,347	—	23,347	13,389
Impairment of tangible fixed assets	121,462	—	—	—	—	121,462	—
Impairment of intangible assets	36,667	—	—	—	—	36,667	—
	<u>610,203</u>	<u>22,521</u>	<u>31,529</u>	<u>135,964</u>	<u>128,708</u>	<u>928,925</u>	<u>711,362</u>

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

13. TAXATION

Major components of tax (income)/expense

	2021	2020
	£	£
Current tax:		
UK current tax (income)/expense	(2,025)	2,025
Deferred tax:		
Origination and reversal of timing differences	(17,848)	227,352
Taxation	<u>(19,873)</u>	<u>229,377</u>

14. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Amortisation of intangible assets	–	3,333
Depreciation of tangible fixed assets	215,060	191,497
Impairment of tangible assets	121,462	–
Impairment of intangible assets	36,667	–

15. AUDITORS REMUNERATION

	2021	2020
	£	£
Fees payable for the audit of the consolidated financial statements	<u>4,350</u>	<u>4,000</u>
Fees payable to the charity's auditor and its associates for other services: Audit of the financial statement of the subsidiary	<u>5,448</u>	<u>5,550</u>

16. STAFF COSTS

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021	2020
	£	£
Wages and salaries	360,479	394,815
Social security costs	26,529	27,722
Employer contributions to pension plans	7,278	9,203
	<u>394,286</u>	<u>431,740</u>

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

16. STAFF COSTS *(continued)*

Wages and salaries include redundancy payments made through the year.

The average head count of employees during the year was 24 (2020: 34). The average number of full-time equivalent employees during the year is analysed as follows:

	2021	2020
	No.	No.
Administration	6	7
Loco department	2	2
Shop and catering	5	8
	<u>13</u>	<u>17</u>

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

17. TRUSTEE REMUNERATION AND EXPENSES

A trustee received remuneration of £3,971 (2020 - £nil), in respect of services provided to the Keighley and Worth Valley Light Railway Limited, not in respect of their services as a trustee.

No other trustees received remuneration or other benefits from employment with the charitable company or a related entity during the current or previous year.

No expenses were paid to the trustees during this or the previous year.

18. FINANCIAL PERFORMANCE OF THE CHARITY

	Unrestricted funds £	Restricted funds	Total Funds 2021 £
Donations and grants received	670,281	–	670,281
Membership and other income	5,779	–	5,779
	<u>676,060</u>	<u>–</u>	<u>676,060</u>
Costs of generating voluntary income	23,347	–	23,347
Governance costs	4,350	–	4,350
Support costs	27,027	–	27,027
	<u>54,724</u>	<u>–</u>	<u>54,724</u>
Net movement in funds	621,336	–	621,336
Total funds Brought forward	4,858,831	5,692	4,864,523
Total funds carried forward	<u>5,480,167</u>	<u>5,692</u>	<u>5,485,859</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

18. FINANCIAL PERFORMANCE OF THE CHARITY *(continued)*

	Unrestricted funds	Restricted funds	Total Funds 2020
	£		£
Donations and grants received	604,468	148	604,616
Membership and other income	4,327	—	4,327
	<u>608,795</u>	<u>148</u>	<u>608,943</u>
Costs of generating voluntary income	15,211	—	15,211
Governance costs	4,048	—	4,048
Support costs	41,674	—	41,674
	<u>60,933</u>	<u>—</u>	<u>60,933</u>
Net movement in funds	547,862	148	548,010
Total funds Brought forward	4,311,129	5,544	4,316,673
Total funds carried forward	<u>4,858,991</u>	<u>5,692</u>	<u>4,864,683</u>

19. INTANGIBLE ASSETS

	Goodwill £
Cost	
At 1 January 2021 and 31 December 2021	<u>40,000</u>
Amortisation	
At 1 January 2021	3,333
Charge for the year	—
Impairment losses	36,667
At 31 December 2021	<u>40,000</u>
Carrying amount	
At 31 December 2021	—
At 31 December 2020	<u>36,667</u>

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YEAR ENDED 31 DECEMBER 2021

20. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold property £	Fixtures & fittings £	Locomotives & rolling stock £	Total £
Cost					
At 1 January 2021	1,878,413	76,317	580,291	2,903,515	5,438,536
Additions	93,249	–	49,944	46,924	190,117
At 31 December 2021	1,971,662	76,317	630,235	2,950,439	5,628,653
Depreciation					
At 1 January 2021	44,111	26,529	416,830	602,823	1,090,293
Charge for the year	53,373	852	27,074	133,761	215,060
Impairment losses	16,795	30,991	73,676	–	121,462
At 31 December 2021	114,279	58,372	517,580	736,584	1,426,815
Carrying amount					
At 31 December 2021	1,857,383	17,945	112,655	2,213,855	4,201,838
At 31 December 2020	1,834,302	49,788	163,461	2,300,692	4,348,243
				2021	2020
				£	£
Leasehold land and buildings comprise of					
Keighley Station – cost				40,809	40,809
Cafe Choux Choux – cost				–	33,808
Iron gates cost				1,700	1,700
Amortisation to date				(24,564)	(26,529)
				17,945	49,788

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

20. TANGIBLE FIXED ASSETS *(continued)*

Charitable company

	Freehold property £	Long leasehold property £	Fixtures & fittings £	Locomotives & rolling stock £	Total £
Cost At 1 January 2020	1,025,117	74,617	476,173	1,221,593	2,797,500
Additions	93,249	–	49,994	46,674	189,867
Disposals					
	<u>1,118,366</u>	<u>74,617</u>	<u>526,167</u>	<u>1,268,267</u>	<u>2,987,367</u>
Depreciation At 1 January 2020	14,225	26,207	389,292	517,731	947,455
Charge for the year	14,352	36	4,741	7,724	26,853
Impairment losses	13,794	30,991	38,484	–	83,269
	<u>42,371</u>	<u>57,234</u>	<u>432,517</u>	<u>525,455</u>	<u>1,057,577</u>
At 31 December 2021	<u>1,051,326</u>	<u>16,603</u>	<u>76,008</u>	<u>624,497</u>	<u>1,768,434</u>
At 31 December 2020	<u>1,010,892</u>	<u>48,410</u>	<u>86,881</u>	<u>703,862</u>	<u>1,850,045</u>

21. INVESTMENT ENTITIES

Subsidiaries and other investments

There are no investments outside the UK.

The charitable company's investments at the balance sheet date of £1,857,183 is included in these consolidated accounts at cost and comprise:

Keighley and Worth Valley Light Railway Ltd

Company number	008710851
Country of incorporation	England and Wales
Registered office	The Railway Station Station Road Haworth BD22 8NJ
Nature of business	Operation of the Keighley and Worth Valley Railway
Class of shares	Ordinary

There is a minority interest in the subsidiary, Keighley and Worth Valley Light Railway Ltd, consisting of 164 ordinary shares of £10 each. These shares do not entitle the holder to a dividend or voting rights. On winding up of the company they would be entitled to a maximum of the nominal value. The Charity holds 100% of all shares entitled to voting rights and dividends.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

21. INVESTMENT ENTITIES *(continued)*

	2021	2020
	£	£
Summary of trading results		
Turnover	1,424,678	696,064
Total expenditure	(1,794,490)	(1,317,497)
Other operating income	116,489	269,756
Other income	2,400	3,008
Taxation	19,873	(229,377)
Loss for the year	<u>(231,050)</u>	<u>(578,046)</u>
Assets	2,373,213	2,207,286
Liabilities	(1,381,741)	(984,764)
Summary of assets and liabilities	<u>991,472</u>	<u>1,222,522</u>

22. STOCKS

	2021	2020
	£	£
Retail shop stock	<u>48,123</u>	<u>73,735</u>

23. DEBTORS

	2021	2020
	£	£
Trade debtors	3,377	39,853
Prepayments and accrued income	42,218	49,145
Corporation tax repayable	2,025	–
Other debtors	25,845	34,633
	<u>73,465</u>	<u>123,631</u>

Charitable company

	2021	2020
	£	£
Trade debtors	10	32,497
Amounts owed by subsidiary undertaking	700,008	251,784
VAT	224	2,239
	<u>700,242</u>	<u>286,520</u>

The amounts owed by the subsidiary undertaking are unsecured and repayable on demand.

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COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

24. CREDITORS: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	–	5,833
Trade creditors	71,641	74,587
Accruals and deferred income	87,580	61,834
Corporation tax	–	2,025
Social security and other taxes	7,271	10,602
Sundry creditors	26,757	51,503
	<u>193,249</u>	<u>206,384</u>

Charitable company

	2021	2020
	£	£
Trade creditors	4,607	4,864
Accrual and deferred income	37,022	24,741
	<u>41,629</u>	<u>29,605</u>

25. CREDITORS: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans and overdrafts	–	44,167
Accruals and deferred income	181,710	125,508
	<u>181,710</u>	<u>169,675</u>

Included within creditors: amounts falling due after more than one year is an amount of £Nil (2020: £4,167) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

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COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

26. DEFERRED INCOME

	2021	2020
	£	£
At 1 January 2021	161,150	172,291
Amount released to income	(161,150)	(172,291)
Amount deferred in year	236,831	161,150
At 31 December 2021	236,831	161,150

At the balance sheet date the Keighley & Worth Valley Railway Preservation Society Limited held funds received in advance which all relate to monies in advance for the 2022 financial year as follows:

	2021	2020
	£	£
Subscriptions paid in advance	22,772	20,741
Grant income received in advance	214,059	140,409
	<u>236,831</u>	<u>161,150</u>

27. DEFERRED TAX

The deferred tax included in the statement of financial position is as follows:

	2021	2020
	£	£
Included in provisions (note 28)	209,504	227,352

The deferred tax account consists of the tax effect of timing differences in respect of:

	2021	2020
	£	£
Accelerated capital allowances	209,504	227,352

28. PROVISIONS

	Deferred tax (note 27) £
At 1 January 2021	223,012
Charge against provision	(13,508)
At 31 December 2021	209,504

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

29. PENSIONS AND OTHER POST RETIREMENT BENEFITS

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £7,278 (2020: £9,203).

30. ANALYSIS OF CHARITABLE FUNDS

Unrestricted funds

	At 1 Jan 2021	Income	Expenditure	At 31 Dec 2021
	£	£	£	£
General funds	<u>4,627,454</u>	<u>2,237,446</u>	<u>(1,867,431)</u>	<u>4,997,469</u>

	At 1 Jan 2020	Income	Expenditure	At 31 Dec 2020
	£	£	£	£
General funds	<u>4,677,745</u>	<u>1,557,511</u>	<u>(1,607,802)</u>	<u>4,627,454</u>

Restricted funds

	At 1 Jan 2021	Income	Expenditure	At 31 Dec 2021
	£	£	£	£
41241 Ivatt	5,253	–	–	<u>5,253</u>
Engine 43924	439	–	–	<u>439</u>
	<u>5,692</u>	<u>–</u>	<u>–</u>	<u>5,692</u>

	At 1 Jan 2020	Income	Expenditure	At 31 Dec 2020
	£	£	£	£
41241 Ivatt	5,105	148	–	5,253
Engine 43924	439	–	–	439
	<u>5,544</u>	<u>148</u>	<u>–</u>	<u>5,692</u>

Restricted funds relate to appeals for restoration work on specific locomotives as details above.

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

31. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Intangible assets	–	–	–
Tangible fixed assets	4,201,838	–	4,201,838
Current assets	1,380,094	5,692	1,385,786
Creditors less than 1 year	(193,249)	–	(193,249)
Creditors greater than 1 year	(181,710)	–	(181,710)
Provisions	(209,504)	–	(209,504)
Net assets	4,997,469	5,692	5,003,161

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Intangible assets	36,667	–	36,667
Tangible fixed assets	4,348,243	–	4,348,243
Current assets	845,955	5,692	851,647
Creditors less than 1 year	(206,384)	–	(206,384)
Creditors greater than 1 year	(169,675)	–	(169,675)
Provisions	(227,352)	–	(227,352)
Net assets	4,627,454	5,692	4,633,146

32. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2021 £	Cash flows £	At 31 Dec 2021 £
Cash at bank and in hand	654,281	609,917	1,264,198
Debt due within one year	(5,833)	5,833	–
Debt due after one year	(44,167)	44,167	–
	<u>604,281</u>	<u>659,917</u>	<u>1,264,198</u>

KEIGHLEY AND WORTH VALLEY RAILWAY PRESERVATION SOCIETY LTD

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2021

33. OPERATING LEASE COMMITMENTS

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Not later than 1 year	19,045	24,762
Later than 1 year and not later than 5 years	69,853	92,723
Later than 5 years	80,625	96,750
	<u>169,523</u>	<u>214,235</u>

34. RELATED PARTIES

Keighley & Worth Valley Railway Trust - The trustees of the Keighley & Worth Valley Railway Trust are appointed by the trustees of The Keighley and Worth Valley Railway Preservation Society Limited.

During the year, the Keighley and Worth Valley Light Railway Limited received grants amounting to £11,178 (2020 - £45,073) from The Keighley and Worth Valley Railway Trust of which £11,178 (2020 - £15,073) has been recognised in the profit and loss account with an additional £14,900 (2020 - £14,550) released from deferred income. The remaining grants of £nil (2020 - £30,000) have been deferred over the life of the assets to which it relates. Total grants of £125,508 (2020 - £140,408) relating to fixed assets are included in deferred income.