W E C WATKINSON TRUST

Annual Report &
Financial Statements
For the Year ended
31st December2025

Charity Reference: SC028902

Inland Revenue Reference: CR 53197

Trustees' Annual Report
Year ended 31st December 2025

The trustees have pleasure in presenting their report together with the financial statements and the independent examiner's report for the year ended 31st December 2025

Reference and Administrative Information

Charity Name:	W E C Watkinson Trust
Charity Registration Number:	SC028902
Inland Revenue Reference No:	CR 53197
Trustees	N Lightowler – Chairman S Wood D Inglis P Blount K Holyland S Cooper C Titley D Green N Sinclair I Stanworth T Macdonald M Cuthbertson
Secretary	M Cuthbertson
Registered Office	Aviemore Station Dalfaber Road Aviemore PH22 1PY
Bankers	Bank of Scotland 90 High Street Elgin IV30 1BJ
Independent Examiner	Graeme Archibald FCCA Certified Accountant 10 Fairway Avenue New Elgin IV30 6XF

W E C Watkinson Trust

Trustees' Annual Report
Year ended 31st December 2025

The Trustees present their report and financial statements for the year ended 31 December 2025.

Structure, Governance and Management

The Trust was established under a Trust Deed founded on 1 April 1999 and is a Registered Charity Number SC028902.

The Trustees who served at any time during 2025 are listed on page 1. The management and administration of the Trust is the responsibility of the Trustees who are elected under the terms of the Trust Deed. The day to day management of the trust is co-ordinated by N Lightowler. New Trustees are co-opted if people are identified with skills which could be useful to the Trust.

All new Trustees are advised of their responsibilities during their induction period.

Risk review

The Trustees have reviewed the risks that the Trust is exposed to, in particular those relating to the operations and finances of the Trust, and are satisfied that the systems are in place to mitigate exposure to the major risks.

Objectives and Activities

The Trust was set up to advance the education of the public about railways in the Highlands of Scotland including their formation, use, history, equipment, rolling stock, etc. and any other relating matters.

Under the Trust Agreement the Trust inherited a Steam Locomotive, four LMS Coaches, and a Highland Railway Luggage Van, together with 30,000 shares in Strathspey Railway Company Limited.

The Trust has entered into an agreement with Strathspey Railway Company Limited to safeguard and preserve the railway assets held by the Trust. This agreement runs for 999 years from 1 January 2002.

The main aims and objectives of the Trust remain the raising of funds for the purpose of maintaining the railway assets held by the Trust and also the education of the general public in relation to rail travel in the area.

Achievements and Performance

Statement of Trust Activity for Calendar Year 2025

1. 5025, the Trust's Steam Locomotive served reliably in traffic over the year. There were 119 steaming days. There were no major issues, or any breakdowns which caused the loco to be unavailable. This has generated £29,750 for the Trust.
2. The Directors Saloon was operated for 124 days during 2025. Again there were no major issues reported. This has generated £18,600 income for the Trust.
3. It is anticipated that significant funding support will be made from Trust funds to the restoration of Trust asset LMS carriage TO, and that restoration works will begin during 2026. A proportion of hire charge income will be ring fenced to fund future repair works on the primary Asset, 5025.

Achievements and Performance - cont'd

4. The formal agreement (2002) between Trust and the Railway stipulated a mileage charge, which was subsequently moved to a daily hire charge. The Trust will be pursuing a revised settlement for the 2026 operating season.
5. The implementation of retrospective PO cover by the Strathspey Railway and subsequent invoicing appears to be working, although the presentation of PO may lag significantly.
6. Payment of the invoice by the Railway may, by agreement of the Trust, be delayed due to the seasonal commitments of the Railway, and this flexibility has been used over the winter months
7. There has been limited expenditure by the Trust during 2025. A commemorative plaque was placed in the Officers Saloon to mark the input to the Trusts activities by Neil Sinclair, the previous Chairman.
8. One of the LMS coaches (BTK) was removed to a 3rd party for restoration work in 2024. The Strathspey Railway agreed to fund these repairs. Photographs circulated to Trustees in Dec 24 showed significant progress with a number of areas of the restoration. An update to the restoration works was gained in November 2025. The Trustees were impressed by the apparent quality of the workmanship. Works were 80% complete and completion is anticipated Spring 2026.
9. There has not been any fundraising activity by the Trust. It is anticipated that on completion and return of the first carriage that the photo-story of the restoration could be used as a springboard to mail drop the affiliated membership of the Strathspey Railway, and also to have a station platform based display with a donation opportunity. The old funnel could suffice for this purpose.
10. The Deed of Assumption and Working Agreement were circulated to all Trustees, with an anticipated review during 2025. This has not yet taken place. The Trustees understand that priority should be given to this, and that it is necessary to report to OSCR on this exercise by the time that annual accounts are submitted, latest September 2026.
11. It was necessary prior to submission of the 2024 accounts to OSCR for all Trustees to share their basic personal and contact details with OSCR. All Trustees consented to this and this information is retained electronically by OSCR, with some details being publicly visible on the OSCR website.
12. The Trust anticipates a close liaison with the Strathspey Railway during 2026 in matters of the Railways commercial interest, and of safeguarding the Trusts assets. Valuations and Insurance cover are primary.

Financial Review

The Trust reports receipts of £47,310 (2024 £6,910) as detailed on page 7. The principal funding sources of the Trust are income from the use of Locomotive 5025, other assets, and donations received.

Agreement was reached on a daily charge for the use of Locomotive 5025 with approval that the payment of invoices may be suspended due to the seasonal commitments of the Railway, and this flexibility was used over the winter months.

Reserves policy

All of the Trust's funds are unrestricted and the Trustee's consider that they are adequate to allow the Trust to operate for the foreseeable future, given the circumstances in which it operates.

Plans for future periods

The Trust intends to continue with fund raising activities to support its objectives and activities in relation to the 3 LMS coaches which are requiring restoration. The BTK carriage is currently removed from the Railway to undergoing professional restoration at a third party facility, Lee Sharpe Engineering.

Statement of Trustees' Responsibilities

The law applicable to charities in Scotland requires the trustees to prepare financial statements for each financial year which show a true and fair view of the state of affairs of the charity and its financial activities for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 charity will continue in operational existence.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and the provisions of the charity's constitution. 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.

This report was approved by the trustees and signed on its behalf by

N Lightowler
Trustee

Date: 21 September 2026

Independent examiner's report on the Accounts

Report to the Trustees of the W E C Watkinson Trust
Registered charity no. SC028902
On the accounts of the charity for the year ended 31 December 2025
Set out on pages 7 to 9

Respective responsibilities of trustees and examiner
The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) 2005 Act and the Charities Accounts (Scotland) Regulations 2006 (as amended) ("the 2006 Regulations"). The charity trustees consider that the audit requirement of Regulation 10(1) (d) of the 2006 Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement
My examination is carried out in accordance with Regulation 11 of the 2006 Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, I do not express an audit opinion on the accounts.

Independent examiner's statement
In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in any material respect the requirements:
   - to keep accounting records in accordance with section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Regulations, and
   - to prepare accounts which accord with the accounting records and comply with Regulation 9 of the 2006 Regulations have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Graeme C Archibald FCCA
Certified Accountant
10 Fairway Avenue
New Elgin
ELGIN
IV30 6XF

22 September 2026

W E C Watkinson Trust

Statement of Financial Activities
For the year ended 31st December 2025

	Unrestricted Funds 2025	Unrestricted Funds 2024
Receipts		
Incoming resources from generated funds:	£	£
Voluntary Income:		
Donations General	160	160
Fees for use of Assets	47,150	6,750
Tax recoverable	-	-
Total Receipts	47,310	6,910
Payments		
Governance Costs:		
Audit Fee - Donated service	-	-
Bank Charges	26	-
Sundry expenses	51	
Total Payments	77	-
Surplus for the year	47,233	6,910

Statement of Balances
As at 31st December 2025

	Unrestricted Funds 2025	Unrestricted Funds 2024
Funds Reconciliation		
Cash in Bank at 31st December 2024	31,248	24,338
(Deficit) / Surplus for year	47,233	6,910
Total Cash in Bank at 31st December 2025	78,481	31,248
Bank Balances		
On Current Account	78,481	31,248
Other Assets (Unrestricted fund)		
Fixtures & Fittings - Written down value	-	-
Plant & Equipment	450,000	-
U K Investments	30,000	30,000
Loan to Company	517	517
Gift Aid accrued on donations at year end	275	275
Pending Fees for use of assets	11,700	10,500

The Notes on pages 8 and 9 form part of the financial statements

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

N Lightowler, Trustee
Date: 21 September 2026

Notes to the financial statements
For the year ended 31 December 2025

1. Accounting policies

a) **Basis of accounting**
The accounts have been prepared on a Receipts and Payments basis in accordance with the Charities and Trustee Investment (Scotland) Act 2005, and The Charities Accounts (Scotland) Regulations 2006, (as amended).

b) **Incoming resources**
Donations, Interest, Grants and similar incoming resources are included in the year in which the trust receives them.

Donated services have been recorded as incoming resources and a corresponding cost recognised at the value of the service provided.

c) **Resources expended**
All expenditure is accounted for on a payments basis as the liability is paid. It has been classified under headings that aggregates all costs related to that category.

d) **Tangible Fixed Assets**
The Trust owns some assets, which were gifted to them as part of the original trust Deed. These assets comprise of one Steam Locomotive 5025, four LMS Coaches and a Highland Railway Luggage Van. The Trustees After years of fund raising and refurbishment the principal asset Engine 5025 has completed a successful year of operation. Given this success the Trustees believe the notional worth of the Trust Assets be reassessed and this is reflected in a note on the Statement of Financial Activities. The Trustees plan to investigate and implement a best practice approach to Asset Depreciation in collaboration with the Strathspey Railway and other heritage groups. Periodically the Trustees will reconsider these values given available information and report the modified worth in the annual accounts.

Expenditure incurred on the repair and maintenance of these assets is charged as resources expended in the statement of financial activities in the period in which the payment is made.

Other tangible fixed assets are included at cost less provision for depreciation at the following rate:

Plant & Machinery – straight line over 15 years.

e) **Investments**
Fixed asset investments are included at market value at the Balance Sheet date.
Current Assets are stated at market value at the year end.

f) **Funds**
All funds are unrestricted and are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

g) **Taxation**
W E C Watkinson Trust is recognised as a charity for the purposes of applicable taxation legislation and is therefore not subject to taxation on its charitable activities. The charity is not registered for VAT and resources expended therefore include irrecoverable input VAT.

Notes to the financial statements
For the year ended 31 December 2025

2. Tangible fixed assets

	Plant & Machinery
	£
At Cost	
At 1 January 2025	1,350
Additions	-
At 31 December 2025	1,350
Depreciation	
At 1 January 2025	1,350
Charge for the year	-
At 31 December 2025	1,350
Net Book Value at 31 December 2025	-
Net Book Value at 31 December 2024	-

3. Fixed asset investments

Investments comprise 30,000 £1 Ordinary Shares in the Strathspey Railway Co. Ltd. These were transferred to the Trust as part of the original agreement

The Trustees have reviewed the carrying value of the shares and consider the market value of the shares to approximate to the original carrying value.

4. Trustees

No Trustee (or anyone connected to them) received any remuneration or reimbursement of expenses during the year.

5. Total resources expended

	Direct costs £	Restoration Costs £	Other Costs £	2025 Total £	2024 £
Charitable Activities		-		-	-
Governance Costs	-	-	77	77	-
Examination of Accounts	-	-	-	-	-
	-	-	77	77	-