Railway Paths Limited

Report and financial statements for the year ended 31 March 2026

Charity and company limited by guarantee

Charity registration numbers 1070003 & SC039256

Company registration number 03535618

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Contents

Trustees' report 3
Objectives and activities 3
Achievements and performance 4
Financial review 5
Plans for future periods 6
Structure, governance and management 6
Reference and administrative details 8
Trustees' responsibilities in the preparation of the financial statements 9
Independent auditor's report to the trustees and members of Railway Paths Limited 10
Statement of financial activities for the year ended 31 March 2026 14
Balance sheet as at 31 March 2026 15
Statement of cash flows for the year ended 31 March 2026 16
Notes to the financial statements for the year ended 31 March 2026 17
1. Principal accounting policies 17
2. Income 21
3. Analysis of expenditure on charitable activities 21
4. Support costs 22
5. Net income / (expenditure) 22
6. Employee information 23
7. Tangible Assets 24
8. Debtors 24
9. Current asset bank deposits 24
10. Creditors: amounts falling due within one year 25
11. Financial Instruments 25
12. Restricted funds 26
13. Limitation by guarantee 26

Document ID: 5302af3e92d48abd151b2bce9f7b74665fdf896dcc6ac8f51298c1a8669e1fc6

Trustees' report

The Trustees, who are also Directors of the Charity for the purposes of the Companies Act, submit their annual report and audited financial statements for the year ended 31 March 2026.

The Trustees have adopted the provisions of *Charities SORP (FRS 102)* (second edition - October 2019), the statement of recommended practice for charities preparing their accounts in accordance with the financial reporting standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), and the Companies Act 2006 and the Charities Act 2011.

Objectives and activities

The purposes and charitable objects of the Charity are summarized as:

1. Providing routes suitable for cycling, walking, horse riding, and wheelchair use.
2. Providing recreational facilities for social welfare.
3. Preserving and restoring heritage structures.
4. Environmental education and protection.

The main activities of the Charity centre on ex-railway assets comprising just over 730 structures located on approximately 950 hectares of land. The Charity raises funds to maintain and improve the assets and, leasing them to partners as public paths, preserves their heritage.

The Charity's strategy is to:

- Lease land to partners who construct and maintain the paths, manage access, and maintain fencing and vegetation.
- Acquire ex-railway structures with an immediate prospect for use in a path. Dispose of land and structures not needed for a path or likely to be needed for future paths.
- Grant easements and wayleaves, and sell marginal strips of land adjacent to paths, without detriment to its charitable objects.
- Have core competencies in: the conservation, inspection, and maintenance of ex-railway bridges and structures; estates management, land surveying and development; acquisitions, disposals, project and charity management.
- In the longer term, have its estate funded and managed as a public asset, either through permanent public sector funding, or by returning the estate to public sector ownership.

The Charity judges its success in terms of the length of land in use for paths, and the condition and safety of its structures.

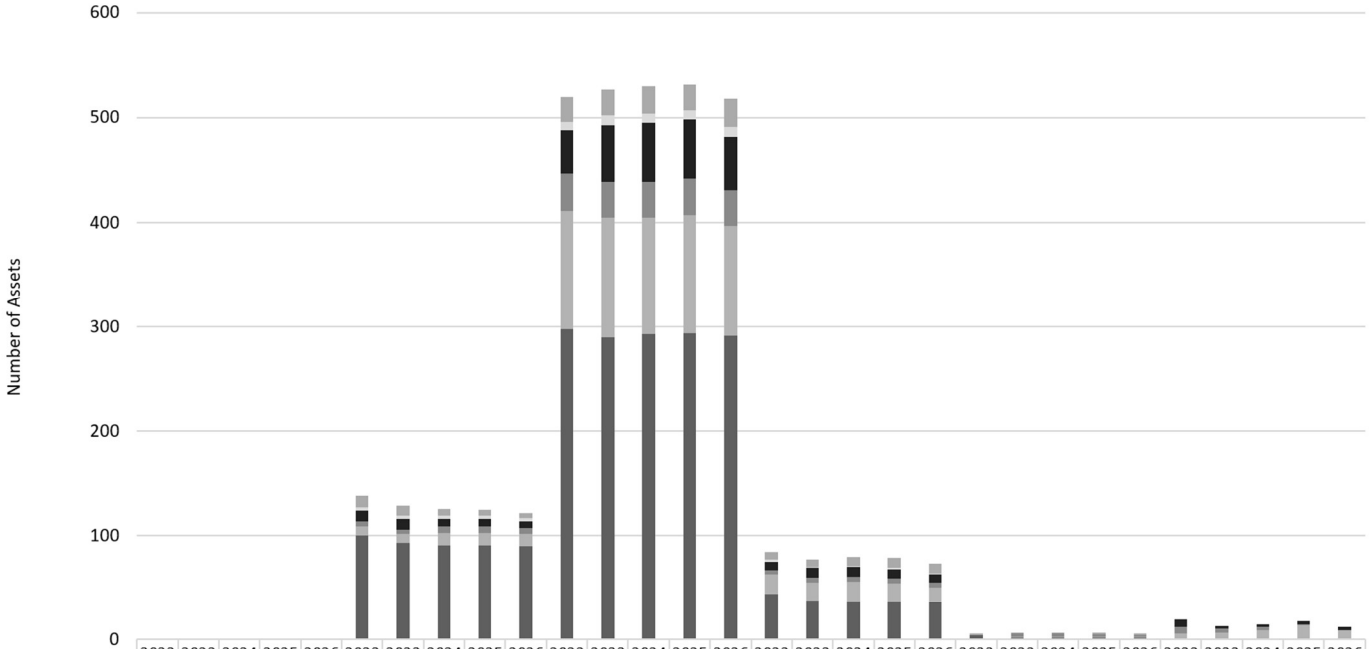
According to best practice, the Trustees have conducted an exercise to ensure that public benefit criteria for charities, set out in the Charities Act 2011, are met. The Trustees judge the public benefit provided in terms of the number and condition of the structures maintained and the length of path made available by its leaseholders for free public use. No charge is made to the public and no private benefit results from the Charity's activities. Consequently, the Trustees have concluded that although Railway Paths Limited does not make free supplies directly to the public, its purposes remain charitable, and Railway Paths Limited satisfies the public benefit test.

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Achievements and performance

The Charity holds 137 parcels of land (2025: 137) approximately 950 hectares in area and 350 kilometres in length, of which, 92 parcels of land (2025: 92) are being used for paths by the Walk Wheel Cycle Trust or another partner.

The Charity inspected its 732 structures (2025: 762) in line with the Management of Highway Structures Code of Practice (2005). Structure condition is rated in five grades ranging from A to E. These grades, and the consequence of failure assessments, are used to help prioritize works.



	A					B					C					D					E					Not scored				
	2022	2023	2024	2025	2026	2022	2023	2024	2025	2026	2022	2023	2024	2025	2026	2022	2023	2024	2025	2026	2022	2023	2024	2025	2026	2022	2023	2024	2025	2026
Viaduct	0	0	0	0	0	11	10	7	6	5	24	25	26	25	27	7	7	9	10	9	1	1	1	2	2	0	0	0	0	0
Tunnel	0	0	0	0	0	3	3	3	3	3	8	9	9	9	9	2	1	1	1	1	0	0	0	0	0	0	0	0	0	0
Retaining Wall	0	0	0	0	0	10	10	7	7	7	41	54	56	56	51	8	9	9	9	8	0	0	0	0	0	7	2	3	3	3
Other	0	0	0	0	0	5	4	6	6	5	36	34	34	35	34	4	5	5	5	5	0	3	3	2	1	6	4	3	1	0
Culvert	0	0	0	0	0	9	9	12	12	12	113	115	112	113	106	19	17	19	17	14	1	1	1	1	1	6	7	9	14	8
Bridge	1	1	1	1	1	100	93	91	91	90	298	290	293	294	291	44	38	37	37	36	4	2	2	2	2	0	0	0	0	1

Asset Condition

A - Very Good - Full strength. In near 'as built' condition, well maintained. Examples include good paint, pointing, surfaces.

B - Good - Full strength. Superficial non-structural defects. Examples include effective paint protection, only minor cracks/spalls, mainly good joints, no movement, minor vegetation.

C - Fair - Within 90% of original strength. BE4 pass (the first standard to cover highway bridge assessment, BE4, was introduced to allow for 32 tonne vehicles). Defects affecting durability or marginally affecting strength. Safety not compromised. Examples include vegetation, open joints, paint failure, corrosion but only slight section loss, settlement.

D - Poor - Significant strength loss from original but still serviceable for current loadings. Marginal BE4 assessment. Defects significantly affecting strength and durability or marginally affecting safety. Examples include deep/extensive spalling, perishing, leakage, structural cracking, deformation, significant corrosion section losses, sub-standard parapets or safety fencing.

E - Bad - Requires a specific mitigation and management plan. Understrength for current loadings. Unstable or failed structure with significant risks. Significant safety risk if not managed appropriately. Examples include assessment failure, critical section loss, arch failure, gross settlement, no parapets.

During the financial year the Charity spent £634,474 (2025: £588,153) for the maintenance of structures where expenditure had been prioritized. The Charity has an analysis of maintenance expenditure required, which it has prioritized for future years. £535,617 (2025: £600,572) was spent on estate management and maintenance this year.

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During the year the Charity received proceeds of £314,400 (2025: £344,600) for sales of land and other assets (nil net book value). Rental and other estates income of £134,649 (2025: £62,000) was received in the year.

The Charity started the detailed planning for the long-term repair of North Water Viaduct over the river North Esk. This will be a major multi-year project largely funded by the Department for Transport under the terms of the Settled Practices Agreement signed in 2013. This is only the second time the Charity has received such funding, the first occasion was in 2022 when Marton bridge over the A423 near Rugby was demolished to improve road safety.

The Charity has continued to make dormant railway assets available to the Walk Wheel Cycle Trust and others for the development of routes for walking and cycling. The Charity does not contribute financially to the construction of these routes. During these developments some maintenance work on structures owned by the Charity is undertaken by others in order to make routes safe for public use.

Financial review

Income for the year was £1,140,548 (2025: £2,517,816), a decrease of £1,377,268 from prior year (Note 2). The principal item of income this year was a £300k easement for a cable in Leicestershire. Expenditure for the year was £1,170,091 (2025: £1,188,725), a decrease of £18,634 (Note 3). The principal item of non-staff expenditure this year was the planning of the long-term repair of North Water Viaduct.

The present funds of the Charity are all restricted funds. This restriction arises from the agreement between the Charity and British Railways Board (Residuary) Limited (BRBR) dated 26th September 2013. The description and purpose of the restricted funds is provided in Note 11. The Charity's income is derived from the assets transferred to it by BRBR and the Charity is therefore not presently able to build unrestricted reserves. The Trustees nonetheless recognize their responsibility to preserve and maintain bridges, tunnels and other structures which will have a useful life of some considerable time – certainly decades, possibly centuries.

At 31 March 2026 the Charity's reserves, all of which are restricted, were £2,988,432 (2025: £3,017,975).

The Trustees' policy on the restricted reserves of the Charity is to:

- Apply the reserves in the medium term to maintain the assets and the estate.
- Hold sufficient reserves (approximately £1m) to conduct an orderly wind-up of the Charity.
- Add to the reserves through the granting of easements and the sale of assets not required for charitable purposes.

The Trustees monitor the movement and trend of General restricted funds. At 31 March 2026, General restricted funds were £2,988,432 (2025: £3,017,975) a decrease of £29,543. The Trustees continue a programme of sales of unused assets to fund ongoing operations.

The Trustees have prepared a financial forecast to 31 March 2027, at this point cash and cash equivalents will exceed annual expenditures for the following financial year, consequently, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operation for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements. The Trustees are not aware of any material uncertainties that cast doubt on the going concern assumption.

The Charity sets future budgets to meet all planned costs from agreed grants, contractual rental income, and utilizing its reserves. It does not plan the current year on the basis of receipts from disposals and easements, when these occur, they are added to the reserves and utilized in future years. Costs are controlled and routine maintenance planned on a long cycle. If unexpected costs were to exceed 10% of the Charity's reserves, there is a settled practice agreement for these exceptional costs to be funded by the Department for Transport.

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The Trustees regularly review the investment policy to be applied to any cash deposits held by the Charity. Cash balances are largely required for working capital and to meet short- term obligations. Owing to the volatility of equity and other markets, the Trustees have for many years adopted a 'no market risk' investment strategy to safeguard the Charity's cash assets. Over the year the Trustees sought to minimize the exposure of the Charity by holding funds with more than one bank.

The Trustees acknowledge their responsibility to identify, manage, and, in so far as is practically possible, mitigate the risks to which the Charity is exposed. Current risks are reviewed at all board meetings, and a full update of the risk register happens annually. In seeking to identify risk, the Trustees consider the operations of the Charity in five broad categories: strategic, external, governance, financial, and compliance. Risks are recorded in the Charity's risk register, scored for impact & probability, and mitigated with actions & controls.

The Charity's major residual risks, after mitigations, are:

- Scour and slip of land resulting from extreme weather impacting structures and paths.
- Asset condition leading to failure, disaster or accident which results in injury to a member of the public.
- Bridge strength assessments indicating that assets do not have adequate strength which is then viewed by our insurers as voiding our public liability insurance cover.
- Failure to generate sufficient income in future years to cover proper maintenance and keep our reserves at a level which reasonably assures our ability to meet all our commitments.

The Charity's principal mitigations for risk are: regular inspection and planned maintenance of structures; holding sufficient reserves (and underwritten in extremis by the DfT) for prompt reactive repairs; and, existentially, the ability in law to return the assets to the DfT.

The Charity does not carry out fundraising from the general public and does not engage third parties to undertake such fundraising on its behalf.

Plans for future periods

When the Charity was founded in 1998, it received ex-railway land from the British Rail (Residuary) Board Limited. This land was part of what was then characterized as the 'burdensome estate', the land left over from the privatization process and not needed for the operational railway. The Charity received approximately one eighth of the burdensome estate, the remaining seven eighths is now known as the Historical Railways Estate (HRE), owned by the Department for Transport (DfT) and managed by National Highways.

During 2026-27, the Charity will complete the preparations for the long-term repair of North Water Viaduct, with the objective of undertaking the works in summer 2027.

Over the past twenty-eight years the Charity has brought nearly all its assets into use for public benefit. It considers these assets are now safe from the threat of abandonment or demolition. Whilst the property portfolio continues to yield an income through easements and marginal sales the Charity will continue to operate. However, the Charity now runs a significant public transport asset and views the future funding and management of that asset as part of the national infrastructure responsibility of the State.

Structure, governance and management

The governing document of the Charity is its Articles of Association dated 12 June 2023. The Charity is constituted as a Company Limited by Guarantee. Three organizations have rights to appoint trustees: the Secretary of State for Transport appoints one trustee, currently Richard Marshall; the Railway Heritage Trust appoints one trustee, currently Caroline Levett; The Walk Wheel Cycle Trust appoints one trustee, currently Xavier Brice. Other trustees are appointed through a process of public advertisement and are selected by decision of the board of trustees to ensure a range and balance of trustee skills and experience.

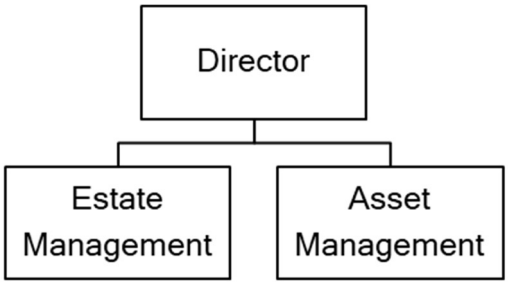
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The induction for prospective trustees includes: briefing using Charity Commission guidance; interviews with key people; and attending board meetings where the detailed work programmes of the Charity and discussions concerning Trustees' roles and responsibilities are covered. The Trustees receive periodic updates and guidance on their role as Trustees of the Charity.

The Trustees met as a board 4 times during the year (2025: 4). Trustees monitor and have overall responsibility for:

- approving the strategy and operating plans of the organization, together with the allocation of the necessary resources to achieve the defined objectives;
- ensuring that the Charity has appropriate systems of controls, financial and otherwise;
- keeping proper accounting records which comply with the Companies Act 2006 and the Charities' SORP;
- safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities;
- providing assurance that the Charity is operating efficiently and effectively, carrying out a risk assessment to identify possible risks to the achievement of the Charity's objectives and establishing procedures, actions and systems to mitigate them.

The day-to-day operation of the Charity is undertaken by its staff working within a schedule of delegation. At 31 March 2026 the Charity employed 10 staff (2025: 10), on average during the year this was the equivalent of 7.7 full time staff (2025: 7.6).



The estate management team employed three qualified surveyors. The asset management team employed or sub-contracted ten experienced bridge inspectors.

The remuneration of all staff (including senior/key management) is determined by pay scales. The Trustees determine an inflation related uplift applied equally across the scales.

Most of the Charity's land in public use is leased to the Walk Wheel Cycle Trust; accordingly, it works in close cooperation with the Walk Wheel Cycle Trust. The financial statements of Railway Paths Limited and the Walk Wheel Cycle Trust are not consolidated because neither organization can exert control over the other. See Note 1n for the transactions between Railway Paths Limited and the Walk Wheel Cycle Trust.

Document ID: 5302af3e92d48abd151b2bce9f7b74665fdf896dcc6ac8f51298c1a8669e1fc6

Reference and administrative details

Charity name:	Railway Paths Limited, also referred to as Railway Paths.
Charity registration numbers:	1070003 (England & Wales) and SC039256 (Scotland).
Company registration number:	03535618.
Principal & registered office:	4th Floor, St James House, St James Square, Cheltenham, GL50 3PR.
Trustees:	Xavier Brice, Jonathan Chesebrough (Treasurer), Caroline Levett, Terry Levinthal (Chair), Richard Marshall, Wendy Spinks, Hélène Vignau (appointed 22 September 2025), John Whitehurst, Kate Young (resigned 16 March 2026).
Senior/key management:	Peter Green (Estate Manager), David Pemberton (Managing Director & Company Secretary), Paul Thomas (Asset Manager).
Main bankers:	Lloyds Bank plc, Bristol City Centre Branch, PO Box 1000, BX1 1LT.
Other bankers:	Virgin Money UK plc, Jubilee House, Newcastle-upon-Tyne, NE3 4PL.
Independent auditor:	Sumer Auditco Limited, Rievaulx House, 1 St Mary's Court, Blossom Street, York, YO24 1AH.
Solicitors (England & Wales):	Browne Jacobson LLP, Mowbray House, Castle Meadow Road, Nottingham, NG2 1BJ.
Solicitors (Scotland):	Burness Paull LLP, 50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ.

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Trustees' responsibilities in the preparation of the financial statements

The Trustees (who are also the directors of Railway Paths Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these 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 UK Accounting Standards (FRS102) 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 operation.

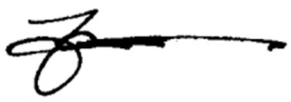
The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.

As permitted by the Articles of Association, the Trustees have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Trustees' and Officers' liability insurance in respect of itself and its Trustees.

In so far as the Trustees are aware there is no relevant audit information of which the charitable company's auditor is unaware. The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption provided by the Companies Act 2006.

The report on pages 3 to 9 were approved by the Board of Directors on 21 September 2026 and were signed on its behalf by:



Terry Levinthal
Chair

Document ID: 5302af3e92d48abd151b2bce9f7b74665fdf896dcc6ac8f51298c1a8669e1fc6

Independent auditor’s report to the trustees and members of Railway Paths Limited

Opinion

We have audited the financial statements of Railway Paths Limited (the ‘charitable company’) for the year ended 31 March 2026 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company’s affairs as at 31 March 2026, and of its incoming resources and application of resources, including its income and expenditure, 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 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 responsibilities for the audit of the 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 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 financial statements, we have concluded that the trustees’ use of the going concern basis of accounting in the preparation of the 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 financial statements are authorized for issue.

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

Other information

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

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 course of 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 this gives rise to a material misstatement in

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the financial statements themselves. 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, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report 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 directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Document ID: 5302af3e92d48abd151b2bce9f7b74665fdf896dcc6ac8f51298c1a8669e1fc6

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 recognize non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- 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 charitable company, including the Charities Act 2011, Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006, taxation legislation, data protection, employment and health and safety legislation;
- 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.

We assessed the susceptibility of the charitable 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 the 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; and
- enquiring of management as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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As part of an audit in accordance with ISAs (UK), we exercise professional judgment 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 charitable company'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 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 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 (ie. gives a true and fair view).

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.

Use of our report

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, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and 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 company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Laura Masheder
Signer ID: WE060HTNXF...

Laura Masheder (Senior Statutory Auditor)

For and on behalf of **Sumer Auditco Limited,** Chartered Accountants, Statutory Auditor, Rievaulx House, 1 St Mary's Court, Blossom Street, York YO24 1AH.

Date: 08/10/2026 GMT

Sumer Auditco Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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Statement of financial activities for the year ended 31 March 2026

(Including Income and Expenditure account)

Note ref.		Total Restricted Funds 2026	Total Restricted Funds 2025
		£	£
	Income from:		
	Charitable activities	**72,274**	34,709
	Investments	**1,068,274**	2,483,107
2	**Total income**	**1,140,548**	2,517,816
	Expenditure on:		
	Charitable activities	**1,170,091**	1,188,725
3	**Total expenditure**	**1,170,091**	1,188,725
5	**Net (expenditure) / income**	**(29,543)**	1,329,091
	Reconciliation of funds:		
	Total funds brought forward	**3,017,975**	1,688,884
12	**Total funds carried forward**	**2,988,432**	3,017,975

All gains and losses recognized in the year are included in the Statement of Financial Activities. All income and expenditure relates to continuing operations.

There is no difference between the net income / (expenditure) for the years stated above and its historical cost equivalent.

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

The notes on pages 17 to 26 form part of these financial statements.

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Balance sheet as at 31 March 2026

Note ref.		Total Restricted Funds 2026	Total Restricted Funds 2025
		£	£
	Fixed Assets:		
7	Tangible assets	-	-
	Current Assets		
8	Debtors	**589,501**	119,738
9	Bank deposits	**2,077,684**	2,300,733
	Cash at bank and in hand	**506,788**	707,161
	Total current assets	**3,173,973**	3,127,632
10	**Creditors**: amounts falling due within one year	**(185,541)**	(109,657)
	Net current assets	**2,988,432**	3,017,975
	Total net assets	**2,988,432**	3,017,975
	The funds of the charity:		
12	Restricted funds	**2,988,432**	3,017,975

The notes on pages 17 to 26 are an integral part of these financial statements.

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

The financial statements on pages 14 to 26 were approved by the Board of Directors on 21 September 2026 and were signed on its behalf by:



Jonathan Chesebrough
Treasurer

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Statement of cash flows for the year ended 31 March 2026

	2026 £	2025 £
Net (expenditure) / income for the reporting period (as per the statement of financial activities)	**(29,543)**	1,329,091
Adjustments for:		
(Increase) / decrease in debtors	**(469,763)**	(15,941)
Increase / (decrease) in creditors	**75,884**	(157,177)
Interest received	**(82,855)**	(67,540)
Net cash (used in) / provided by operating activities	**(506,277)**	1,088,433
Interest received	**82,855**	67,540
Change in cash and cash equivalents in the reporting period	**(423,422)**	1,155,973
Cash and cash equivalents at the beginning of the reporting period	**3,007,894**	1,851,921
Cash and cash equivalents at the end of the reporting period	**2,584,472**	3,007,894

Analysis of cash and cash equivalents	**2025** **£**	2025 £
Cash at bank and in hand (instant access)	**506,788**	707,161
Bank deposits (120-day notice)	**2,077,684**	2,300,733
	2,584,472	3,007,894

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Notes to the financial statements for the year ended 31 March 2026

1. Principal accounting policies

a) Basis of Preparation

Railway Paths is a registered charity with the Charities Commission and is incorporated in England and Wales as a company limited by guarantee. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) for charities, which is based on the Financial Reporting Standard (FRS) 102 effective from 1st January 2019, the Charities Act 2011, the Companies Act 2006, the Charities Accounts (Scotland) regulations 2006 and Charities and Trustee Investment (Scotland) Act 2005. The financial statements have been prepared on the basis that Railway Paths Limited is a public benefit entity under FRS102. The financial statements have been prepared under the historical cost convention in UK pounds sterling. The financial statements have been prepared on a going concern basis and accounting policies have been applied consistently. The selection and application of accounting policies has prioritized the objective of providing information useful to economic decision making by users of the accounts and/or a legal obligation for the accounts to give a true and fair view.

b) Going Concern

The Trustees have prepared a financial forecast to 31 March 2027, at this point cash and cash equivalents will exceed annual expenditures for the following financial year, consequently, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operation for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements. The Trustees are not aware of any material uncertainties that cast doubt on the going concern assumption.

c) Fund Accounting

The funds of the Charity are all restricted funds - they can only be used for specific purposes and this is not at the Trustees' discretion.

The Charity was established in 1998 to take ownership of disused railway lines from BRB (Residuary) Ltd, formerly Rail Property Ltd. This responsibility was accompanied by a "capital bond" with the intention that the property, which includes many structures, bridges, etc. be maintained to an appropriate standard.

These transfers were all concluded at a nominal value recognizing the longer term financial liabilities which became the responsibility of the Charity on acquisition. The Trustees have decided not to re-value land holdings because of the complexity and the resulting on-going costs which would be incurred.

The Charity has and will continue to make these disused railway lines and structures available to The Walk Wheel Cycle Trust Limited and others for the development of walking and cycling routes.

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d) Income

Income is recognized in the statement of financial activities (SoFA) when a transaction or other event results in an increase in the Charity's assets or a reduction in its liabilities. Income is only recognized when all of the following criteria are met:

- Entitlement – control over access to the economic benefit has passed to the Charity.
- Probable – it is more likely than not that the economic benefits associated with the transaction or gift will flow to the Charity.
- Measurement – the monetary value or amount of the income can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Grants receivable – Grants from government bodies and other sources are received for specific projects and are recognized in accordance with their individual terms and conditions. Income is recognized when the Charity has entitlement to the funds which is when any performance conditions attached are met, it is probable that the income will be received and the amount can be reliably measured. Grant income will be deferred if received in advance of meeting performance conditions or if the funder specifically states that the income must be spent in a future accounting period.

Rental and advertising income is recognized in line with the period to which it relates.

From time to time, third parties undertake work on the Charity's land and structures, e.g. vegetation control, resurfacing, or the improvement of a structure. This work is performed by leaseholders as a condition of the lease or is initiated by the third party as the principal beneficiary of the improvement. It is impractical to measure the fair value (if any) of this work to the Charity, and accordingly it is not recognized in the accounts as either a donated service or an enhancement to a fixed asset.

e) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Support costs are allocated on the basis of Full Time Equivalent (FTE) staff numbers.

f) Financial instruments

The Charity only has financial assets and financial liabilities that qualify as basic financial instruments. Basic financial instruments are initially recognized at transaction value and subsequently measured at their settlement value.

g) Debtors

Short term debtors are measured at transaction price, less any impairment.

h) Creditors and provisions

Creditors and provisions are recognized where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognized at their settlement amount after allowing for any trade discount.

Document ID: 5302af3e92d48abd151b2bce9f7b74665fdf896dcc6ac8f51298c1a8669e1fc6

i) Tangible assets
The real estate property (freehold land, buildings and structures) of the Charity is not held as a tangible asset. As explained in Note 1c, property was transferred at nominal value and has not been revalued. The Charity's property does create economic benefit and contribute to the Charity's objects. The economic benefit is, however, only available after the application of specialist resource to remove impairments and/or improve commercial value. The benefit remains uncertain until completion; the costs are recognized as incurred and the income is recognized at the point of sale. The property value is very unlikely to be realizable by an Administrator. The public benefit arising from the property is created together with the Charity's leaseholders as explained elsewhere in this report. Equipment costing more than £2,500 is capitalized at cost, depreciation is calculated to write-off the cost of equipment over its expected useful life on a straight-line basis. The rate of depreciation of IT equipment is 25% per annum.

j) Key sources of estimation uncertainty
The company makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Income from grants is recognized when the Charity has entitlement to the funds and any performance conditions attached to the grants have been met.

Provision for bad debts – Full provision is made where management consider the recoverability of trade debts to be low.

k) Maintenance
The Charity has a maintenance obligation over a number of disused railways where it owns the land and structures upon it. A planned maintenance policy is adopted with routine maintenance expenditure being funded from restricted funds. Significant short-term maintenance liabilities are provided for as and when they are identified.

l) Taxation
The Company is a non-profit making organization and a registered charity with the Charity Commission. It is generally exempt from Corporation Tax and there is no tax charge for the year.

m) Pension costs
The Charity makes contributions to a defined contribution pension scheme on behalf of certain staff members. The cost of these contributions is charged to the SoFA as incurred. This scheme is available to all staff.

n) Cash
Cash at bank and in hand includes cash and bank balances available on demand. Included within cash and cash equivalents are bank deposits subject to a 120-day notice period. The trustees utilize this account as part of their day-to-day treasury management arrangements and routinely manage notice periods to ensure funds are available to meet forecast operating cash requirements. Although access to these funds is subject to notice, the trustees regard the account as forming part of the charity's liquid resources.

o) Address and country of incorporation
Legal and administrative information is shown on page 8 of this document.

Document ID: 5302af3e92d48abd151b2bce9f7b74665fdf896dcc6ac8f51298c1a8669e1fc6

p) Related Party Transactions

As explained in the Report of the Trustees, Railway Paths Limited collaborates with The Walk Wheel Cycle Trust (Charity No 326550). In the interests of efficiency and cost minimization, The Walk Wheel Cycle Trust is contracted by Railway Paths to provide services to Railway Paths and vice versa. Charges are based upon the calculated marginal cost incurred in the provision of these services. Although the two organizations are not legally connected entities we have disclosed the transactions between the two organizations below in the interests of transparency.

During the year costs were incurred and recharged between the two charities as follows:

	2026	2025
	£	£
Income		
Services provided to The Walk Wheel Cycle Trust	**128,592**	113,436
Total	**128,592**	113,436
Outstanding as trade debtor at 31 March	**23,501**	24,841
Expenditure		
Services purchased from The Walk Wheel Cycle Trust	**26,756**	34,462
Bought-in expense repaid at cost	**-**	344
Total	**26,756**	34,806
Outstanding as trade creditor at 31 March	**3,796**	7,662

One Trustee of Railway Paths Ltd was also an employee of The Walk Wheel Cycle Trust and so remunerated by The Walk Wheel Cycle Trust in line with The Walk Wheel Cycle Trust' pay policy. These are included in the financial statements of The Walk Wheel Cycle Trust as part of their personnel remuneration total.

As explained in the Report of the Trustees, the Railway Heritage Trust exercises its right to appoint one Trustee. During the year a total of £nil (2025: £nil) was received from the Railway Heritage Trust.

As explained in the Report of the Trustees, the Department for Transport exercises its right to appoint one Trustee. During the year a total of £72,274 (2025: £15,809) was received from the Department for Transport.

There were no other related party transactions during the year ended 31 March 2026.

Document ID: 5302af3e92d48abd151b2bce9f7b74665fdf896dcc6ac8f51298c1a8669e1fc6

Notes to the financial statements for the year ended 31 March 2026

2. Income

	Restricted Funds 2026 £	Restricted Funds 2025 £
Income		
Income from charitable activities		
Grants for the preservation of structures, buildings, and land	**72,274**	34,709
Income from investments		
Realized gains on disposal of land and other assets	**314,400**	344,600
Rental and other estates income	**134,649**	62,000
Advertising income	**14,318**	14,905
Interest received	**82,855**	67,540
Income from Easements	**335,000**	1,750,000
Recovery of legal costs	**58,460**	69,158
Recharge to The Walk Wheel Cycle Trust	**128,592**	113,436
Other income	**-**	61,468
	1,068,274	2,483,107
Total income	**1,140,548**	2,517,816

3. Analysis of expenditure on charitable activities

	Activities undertaken directly	Staff costs	Support costs	**Total 2026**	Total 2025
	£	£	£	**£**	£
Bridge maintenance and management	395,535	204,050	34,889	**634,474**	588,153
Estate maintenance and management	199,609	286,946	49,062	**535,617**	600,572
	595,144	490,996	83,951	**1,170,091**	1,188,725
Total 2025	686,537	422,413	79,775	1,188,725	

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4. Support costs

	Bridge maintenance and management	Estate maintenance and management	**Total 2026**	Total 2025
	£	£	**£**	£
Insurance	15,489	21,782	**37,271**	38,097
Governance	524	736	**1,260**	610
Audit	6,234	8,766	**15,000**	15,000
Finance, HR & IT	12,642	17,778	**30,420**	26,068
	34,889	49,062	**83,951**	79,775
Total 2025	25,193	54,582	79,775	

5. Net income / (expenditure)

	2026	2025
	£	£
This is stated after charging:		
Governance costs (the Trustees of the Charity are not paid):		
Travel and associated expenses incurred by 4 (2025: 2) Trustees for attendance at meetings	**1,260**	610
Fees payable for statutory audit	**15,000**	15,000
Non-audit fees payable to auditor	**-**	17,760
Provision of trustee liability insurance	**175**	1,000

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6. Employee information

Average full time equivalent (FTE) number of employees	2026 Number	2025 Number
Charitable Activities		
Bridge maintenance and management	3.2	2.4
Estate maintenance and management	4.5	5.2
	7.7	7.6

During the year ended 31 March 2026 the average monthly number of employees was 10 (2025: 10).

Staff costs (for the above persons):	2026 £	2025 £
Wages and Salaries	426,419	378,406
Social Security costs	38,727	18,564
Employer's pension contributions	25,850	25,443
	490,996	422,413

Three employees earn between £60,000-£70,000 per annum (2025: three).

The aggregate cost of employing the senior/key management personnel (salary, social security, and employer's pension costs) was £239,920 (2025: £226,407).

Outstanding pension contributions at the year-end were £4,664 (2025: £5,166).

During the year the Charity made statutory redundancy payments of £9,576 (2025: £nil) in respect of one employee.

Under the Articles of Association, members of the Board are not permitted to receive remuneration from the Charity.

Document ID: 5302af3e92d48abd151b2bce9f7b74665fdf896dcc6ac8f51298c1a8669e1fc6

7. Tangible Assets

The net book value of fixed assets amounted to £nil at year end (2025: £nil).

Tangible fixed assets costing more than £2,000 are capitalized and included at cost.

Freehold land and buildings were acquired at no cost, recognising the long-term financial liabilities which became the responsibility of the Charity on acquisition. The Trustees have decided not to re-value land holdings because of the complexity and the resulting on-going costs which would be incurred.

8. Debtors

	2026 £	2025 £
Trade debtors	**486,578**	71,384
Accrued income	**74,374**	15,809
Taxation	**-**	15,118
Sundry debtors and prepayments	**28,549**	17,427
	589,501	119,738

9. Current asset bank deposits

	2026 £	2025 £
120-day notice account	**2,077,684**	2,300,733

There has been a prior year restatement to allocated £2,300,733 of deposits out of cash at bank into current asset bank deposits. There was no impact on net assets at 31 March 2026.

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10. Creditors: amounts falling due within one year

	2026	2025
	£	£
Trade creditors	67,903	46,051
Accruals and other creditors	36,465	37,035
Deferred income – income invoiced in advance	14,499	17,972
Taxation and social security	66,674	8,599
	185,541	109,657

	2026	2025
	£	£
Deferred income brought forward	17,972	20,751
Income deferred in the year	14,499	17,972
Amounts released from previous reporting periods	(17,972)	(20,751)
Deferred income carried forward	14,499	17,972

Deferred income comprises rents billed in advance.

11. Financial Instruments

	2026	2025
	£	£
Financial Assets		
Cash at bank	2,584,472	3,007,894
Trade debtors (settlement amount after trade discount)	486,578	71,636
Financial Liabilities		
Trade creditors (settlement amount after trade discount)	(67,903)	(46,051)
Accruals and other creditors	(36,465)	(37,035)

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Notes to the financial statements for the year ended 31 March 2026

12. Restricted funds

	Balance 1 April 2025	Income	Expenditure	**Balance 31 March 2026**
	£	£	£	**£**
General restricted funds	3,017,975	1,068,274	(1,097,817)	**2,988,432**
Project restricted funds	-	72,274	(72,274)	**-**
	3,017,975	1,140,548	(1,170,091)	**2,988,432**

	Balance 1 April 2024	Income	Expenditure	**Balance 31 March 2025**
	£	£	£	**£**
General restricted funds	1,686,632	2,483,107	(1,151,764)	**3,017,975**
Project restricted funds	2,252	34,709	(36,961)	**-**
	1,688,884	2,517,816	(1,188,725)	**3,017,975**

General restricted funds compromise the capital bond and subsequent income and expenditure related to the assets transferred to the Charity in 1998 by BRB (Residuary) Ltd, formerly Rail Property Ltd, and subsequently the Department for Transport, in various tranches and phases.

Project restricted funds are the income and expenditure where the funder has restricted the grant or donation to a distinct project or activity.

The Charity has no unrestricted income, expenditure, or reserves.

13. Limitation by guarantee

The Company is limited by guarantee and does not have any share capital. The liability for members in the event of winding up is limited to an amount not exceeding £1 per member.

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