

TALYLLYN HOLDINGS LIMITED

England & Wales · Charity number 1089053

Details

Status Registered

Legal form Charitable company

Company number [00511996](#)

Registered 2001-10-25

Register [View on the Charity Commission register](#)

Contact

Address Wharf Station
Neptune Road
Tywyn
Gwynedd
LL36 9EY

Phone 01654710472

Email secretary@talylyn.co.uk

Website www.talylyn.co.uk

Activities

Objects: 5.1 The preservation, restoration, maintenance and protection of such of the structures, rolling stock, plant, equipment and artefacts (“the structures and equipment”) of or connected with the Talylyn Railway as are of historic, cultural, architectural, constructional or scientific interest or exhibit craftsmanship worthy of preservation;5.2 The promotion of public knowledge, appreciation and understanding of the historic and cultural aspects of the Talylyn Railway and the area through which it runs;5.3 The promotion of public access to the structures and equipment and public knowledge, appreciation and understanding of their architectural, constructional, scientific and craft features;5.4 To support the operation of steam-hauled passenger trains on the Talylyn Railway;5.5 Such other charitable purposes for the advancement of education associated with the Talylyn Railway and its surrounding area and other narrow gauge railways as the Directors think fit.

Activities: Supporting the Preservation of the Talylyn Railway as a going concern.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Buildings/facilities/open Space
- **What:** Education/training, Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- Gwynedd

Finances

Period end	Income	Expenditure	Assets	Employees
2025-01-31	£2,508,585	£2,073,961	£1,787,447	44
2024-01-31	£1,905,228	£1,906,457	£1,545,773	41
2023-01-31	£2,233,886	£1,722,662	£1,538,522	44
2022-01-31	£1,750,025	£1,380,670	£1,300,871	39
2021-01-31	£1,299,396	£1,029,060	£1,078,922	35

Trustees

Name	Role	Appointed
David Graeme Ventry	Chair	2013-11-26
Dan Poulson		2014-07-18
GARETH JONES		
Keith Francis Meikle Hayes		2021-10-23
Lis Mann		2015-12-05
Peter Mintoft		2024-01-20

TALYLLYN HOLDINGS LIMITED

England & Wales - Charity number 1089053

Accounts

Registered number: 00511996
Charity number: 1089053

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

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TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 JANUARY 2025

Trustees	K F M Hayes R G W Jones E J Mann P Mintoft D H W Poulson D G Ventry
Company registered number	00511996
Charity registered number	1089053
Registered office	Wharf Station Tywyn Gwynedd LL36 9EY
Company secretary	A J Simner
Chairman	D G Ventry
Chief Financial Officer	G Mumford
Independent auditors	BHP LLP Chartered Accountants Rievaulx House 1 St Mary's Court Blossom Street York YO24 1AH

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JANUARY 2025

The Trustees present their annual report together with the audited consolidated financial statements of the Company for the 1 February 2024 to 31 January 2025. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the group and the Company qualify as small under section 383 of the Companies Act 2006, the Group Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Principal activity

The objects of the Company include the preservation of the historic structures and equipment of the Talyllyn Railway and the promotion of public knowledge of and access to them. To this end it is the beneficial owner of all the shares in the Talyllyn Railway Company and the owner or lessee of various assets peripheral to that ownership. The principal activity of the subsidiary is that of operating and maintaining the Talyllyn Railway.

The strategies employed to achieve these objectives are to:

- retain the beneficial ownership of all the shares in the Talyllyn Railway Company;
- control the Railway Company by the election of its Directors in accordance with established custom;
- raise money from individuals and organisations;
- make grants in accordance with its Objects;
- encourage volunteers on the Railway, in particular by the provision of accommodation; and
- make loans to the Railway Company when required by exceptional circumstances.

b. Public benefit

The Trustees have referred to the Charity Commission's guidance on public benefit when reviewing the Company's aims and objects and in planning future activities of the group. We consider that the group carries out its charitable activities for the benefit of the general public.

Talyllyn Holdings makes grants primarily to ensure the survival of the Talyllyn Railway which was the earliest narrow-gauge railway constructed with the use of steam haulage and the carriage of passengers envisaged from the outset. Grants are also made to individuals who volunteer on the Railway and benefit educationally from the experience, and undertakes some direct educational work. Through the Talyllyn Railway Company it provides employment in the area, including apprenticeship opportunities for valuable skills learning. It reaches out to local communities by participating in local events and providing work experience for schools and colleges. Research in North Wales and elsewhere shows that heritage railways provide significant economic advantages to their local areas.

Achievements and activities

a. Main achievements of the Company

We are pleased to say that the Railway remains in a strong financial position with a healthy cash reserve, because of our close attention to controlling expenditure. Progress has been made on new income generation strategies and consideration given to adjusting the timetable in the future.

On 11th October 1950 a group met at the Imperial Hotel in Birmingham to discuss the formation of a society with the intention of preserving the Talyllyn Railway using volunteers. Our railway's history is unique in so many ways, and the outcome of the meeting was the formation of the Talyllyn Railway Preservation Society.

In March 2024, the Council of the Talyllyn Railway Preservation Society, which since 1950 had served the Railway so well, met for the last time. Having sought approval from its members, the process to incorporate the Society as a Company Limited by Guarantee concluded on the 26th March. As a result, the unincorporated Society was subsumed into the new company, which marked the formal end of the original 1950's body.

Although this was a significant change, the legacy and intentions of the founding members have continued undisturbed. All the members, assets and liabilities were formally transferred to the new incorporated body and the Council of the Society continued to serve as its new board of directors. The chairman and vice-chairman were re-elected, together with the honorary secretary and honorary treasurer. Also, the committees and working groups were reconstituted.

The NLHF project continued with the design work for Wharf, Trefri, and Pendre redevelopment from concept plans through to progressing to the Stage 3 – "Developed Design". To raise an important source of funds for this development, the "75" Appeal launched in March; by June, monthly donations had reached £2,769. Creative fundraising incentives included sponsored sleepovers, "Adopt-a-LoCo" programme and the "Pound a Passenger" donation idea. Having quickly surpassed the original target of £500,000, the appeal target was increased to £750,000.

During the year, grants were approved for additional injectors, the Village Incline Winding House conservation project, battery electric locomotive regauging and upgrades. Plans to convert carriage no. 9 into a "party carriage" was agreed. The membership Review group started to review the membership structure and benefits. Concerns over the future storage of our Archive lead to a working group formed to explore future options.

The Awdry-themed events continued to grow in popularity. Licensing restrictions were discussed; which resulted in agreeing that locomotive no. 5 Midlander would be painted black, as a static display, and locomotive no. 3 Sir Haydn would be repainted in Corris red, with temporary Skarloey blue lining.

We would like to thank everyone for supporting the Railway throughout 2024; not only those members who have volunteered, both in operational roles and behind the scenes, but also our staff and the membership who continue to support our railway. We very much appreciate the generosity of members, both in donations and legacies. We can look forward with optimism for 2025 and meet the challenges that another year will bring.

b. Traffic and Operating

The year ending 31st. January 2025 saw 76,752 passenger journeys, a fall of 7.1% on the previous year. For comparison the total for 2019–20, the last pre-Covid-19 year, was 94,811. Public bookings were 30,678 (2023–24: 33,664; 2019–20: 40,443). Inclement weather certainly contributed to the poor performance.

Achievements and activities (continued)

The timetable was little altered from 2023 although there were minor changes to the dates of operation for the different services. Train running was largely satisfactory although an axle bearing seized on carriage 23 at Pendre on the return trip of Good Friday's Stations at Stations train, giving passengers a late end to the day. On one summer's day, an occupation crossing timber broken by a farm vehicle fouled the ashpan of locomotive 3 requiring trains to be retimed. Our supplies of Welsh steam coal sufficed for 2024, but we will have to rely on less satisfactory alternatives henceforth.

Whilst shortage of volunteers continued to cause concern, there was optimism for the future with 81 new volunteers processed in 2024 and very successful Under-16s training sessions. We also ran more intensive services for several Gala days, and our Santa Specials reverted to running to Plas Nadolig at Dolgoch. Sadly, the services planned for 7th. and 8th. December was cancelled following red warnings from the Meteorological Office. Storm "Darragh" brought down numerous trees on the Extension and trains terminated at Abergynolwyn until daily running commenced in 2025.

Although the new Rules and Operating Procedures were largely satisfactory, inevitably a number of points arose. Rather surprisingly, even numerous younger volunteers preferred hard copies, and it was decided to issue a revised book for 1st. February 2025, printing sufficient for the full circulation.

c. Shop and Catering

The Shop and Catering activities of the Talyllyn Railway Company are important in generating a surplus to further the charitable objectives of Talyllyn Holdings.

The shop remained steady throughout the year and benefitted from the relaunch of an enhanced online platform. With fewer trains running during the year, we recognised the importance of advertising the shop's online presence to improve awareness and generate sales. we were grateful for volunteer support. The shop continues to be boosted by the exceptional secondary spend associated with the Awdry events.

Our catering operations remain buoyant despite further establishments opening within the town. during the none train running season. The provision of themed evenings has helped with turnover and proved popular, as we focus on providing something different in the town, we do find other cafes then follow this, so we are constantly looking at providing something different.

d. Engineering

The Company's Object of the preservation, restoration, maintenance and protection of the structures, rolling stock, plant, equipment and artefacts of the Talyllyn Railway is largely an engineering activity carried out by the Talyllyn Railway Company with the aid of grants from the Company.

Loco no.1 Talyllyn has been active all year having passed its inspection in March. Loco no.2 Dolgoch has been running well with only minor repairs and a re-enforced dome gasket. Loco no.3 Sir Haydn unfortunately endured a failure on its leading axle box which has been repaired. Loco no.4 Edward Thomas was received back from the Vale of Rheidol following its overhaul. It was steam tested in July and put back into service. Loco no.6 Douglas spent some time in Highley and at the NEC advertising the 75 Appeal but has since returned to the works and has been dismantled as its overhaul commences. Loco no.7 Tom Rolt needed a new spring at both the start and end of the season.

In our diesel fleet, no.11 Trecwn had a new wheel set fitted, and no.12 St. Cadfan has been re wired and was generally in working order throughout the year. No.9 Alf is running well and no.5 Midlander is now fully operational and being used. Toby the Trolley and the Flail are in service and being used regularly.

Achievements and activities (continued)

Carriage no.11 was rebuilt and put back into service and no. 20 had an overhaul. Carriage no. 24 and no. 25 arrived and no. 26's delivery is due. No. 27 entered service following a few alterations. The bogie overhaul strategy began. We installed new pit covers in the west shed and reduced the depth of the ash pit to mitigate the working at height risks. We also invested in new guards and a DRO for the workshop equipment.

Re-sleepering has been completed throughout the line using the new ballast hopper and there has been a lot of work clearing the extension and foot paths following the impact of storm Darragh. S&T have made significant progress on signal A13, repaired broken lever frames and fitted the works with new LED lighting to go along with the working heaters.

e. Health & Safety

We had 54 staff accidents in 2024, 17 passenger accidents, 5 reportable incidents, 52 non-reportable incidents and 2 S&T incidents. The majority of accidents continue to occur between May and September, when we have most people visiting and run the most trains. Comparing between 2023 and 2024 we observe that there was a rise in accidents and incidents in 2024. Most of these accidents appears to be cuts and abrasions at 39% of reported accidents. We attribute some of this rise in 2024 to a marked improvement in the reporting of accidents. This has been due to the drive on an improvement of the safety culture throughout the railway. We will continue to promote reporting of accidents, incidents and near misses to get an accurate representation of the risks throughout this year.

We have breath tested 20% of our staff and volunteers in 2024 in line with the Drug and Alcohol policy. We have now rolled out the drug testing procedure for 2025. Random jobs are generated and the personnel selected are tested before their duty/shift begins. Testing is also taking place following any incident or accident that requires it.

Platform risk assessments and level crossing risk assessments have all been updated and the SMS is continuing to be updated together with an updated RM3 assessment. We are happy to report that whilst 5 categories have remained at Managed, 5 categories have moved from Managed to Standardised. We will continue to look at improving in all these areas and will be starting safety briefings, via HOPS and TROPs, to improve the communication of safety objectives across the Railway.

f. Heritage

We continue to focus on projects which maintain or enhance the heritage of our railway. Work continues on the winding house restoration, with two plinths completed before Storm Daragh prevented further progress on repairing and mounting the drum as the site was inaccessible. Away from the site, a plan to recreate the loop line round the back of the winding house was devised and approved. The standard gauge wagon was received back from Stanegate and installed at Wharf with work ongoing on the accompanying interpretation.

The ex-Corris van no.6 has re-entered service painted in its 1950's livery and work continues on both the original locomotive no.5 and the Young Members' Group recreation of the gunpowder wagon.

We continue to improve access to our heritage through our archives, which we have continued to sort and digitise, with work commenced to create an online heritage resource. We also held another successful heritage weekend in September 2024 with the third planned for next year.

Achievements and activities (continued)

g. Fundraising

The year has been dominated by 'The 75 Appeal' towards our major redevelopment project. This was formally launched in March and proved an immediate success. Donations rolled in and so many people signed up as members of 'The 75 Club' of regular donors, the system was slightly overwhelmed. It soon became clear that we would easily reach our initial target of £500,000, and, with the rising costs of the redevelopment, it was decided to increase the target to £750,000.

Donations and pledges have continued to come in and at the end of January 2025 we have over £200,000 in the bank and further donations expected of some £250,000 from over 320 members of 'The 75 Club'. We thank everyone who has donated or pledged towards the Appeal as our work continues to raise the remaining £300,000.

We have continued to seek grant funding, but a combination of the General Election and the general economic situation means that these are thin on the ground. However, legacies continue to arrive, including one of over £180,000, and we are very thankful for those who have remembered us in their wills.

The Heart of Gold group continues to flourish, and we are very grateful for the monies donated by this group, which go into unrestricted funds meaning we can make use of it wherever required.

The railway does not engage third party external fundraisers, seeking to only fundraise through their own initiatives. There have been no complaints received during the year regarding the railway's fundraising procedures.

h. Key performance indicators

The Company is committed to self-evaluation, measuring the organisation both internally and externally. Financial information is presented to the Trustees at every meeting.

Financial review

a. Financial review

The heritage railway sector continues to be challenged by the overall economic picture, rising costs and lower visitor numbers. The Talyllyn is no exception.

Recent years since the Covid pandemic have seen record losses in the operation of the Railway through the Talyllyn Railway Company, a reflection of ever-growing costs and dropping visitor numbers no doubt a consequence of a general downturn in West Wales. This is offset by continuing successes with other philanthropic income to the charity, Talyllyn Holdings. In the past year legacies cash received peaked at an exceptional £504,000. This in turn along with successful prior years has enabled the organisation to hold a good financial reserve, very necessary in these challenging times.

Whilst the years Railway Company combined operating income deficit at £63,265 (2024: £174,129 deficit) shows a 64% improvement over 2023, this is somewhat misleading. The level of operating losses necessitated the Talyllyn Holdings board to make a £200,000 grant to the Railway Company to provide sufficient cashflow through the winter. £100,000 of this was drawn down by 31st January 2025 and so reflects in these accounts, making the deficit in effect £163,265, very similar to the prior year.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2025

The budget for the 2025 year is showing that the level of deficit is likely to be similar in the new financial year. Any predicted savings being offset by increased staffing costs through the National Minimum Wage increases and the increases in Employers National Insurance Contributions the nature of which has a disproportionate impact on the company payroll.

One continuing massive success story is again an extraordinary surplus recorded in the catering operation, at very similar level to the record prior year. This was achieved through income increases, better margins and managing the staffing costs. The latter always being a huge challenge. The surpluses from these secondary spend activities, shop and catering, remains a very significant contributor and without them the financial picture could undoubtedly be quite unmanageable.

Net assets are now £4,208,048, as compared to £3,773,424, an increase of £434,624. Within the total of net assets, £2,700,497 (2024: £2,609,682) is represented by designated funds, £1,243,023 (2024: £1,119,375) represented by general funds and £264,528 (2024: £44,367) is contained within restricted funds.

b. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

c. Reserves policy

The regular, unrestricted income is sufficient to cover the day to day running of the charity. The agreed reserve policy for 2024/25 was to have available a minimum of £400,000 to £600,000 in unrestricted funds. Based on the risk profile of the income and expenditure, this was deemed an appropriate amount to cover any sudden increases in expenditure or decreases in income. Any unrestricted funds held over and above this are regularly monitored with the intention of using them to forward the charity's objectives. The reserve policy is regularly assessed by the Trustees for appropriateness.

The Trustees continually review the financial performance and outlook and with the Railway Company's management consider the risks surrounding the Railway's core operating and trading activities. The Trustees are confident that they will continue to attract donations, legacies and grants to support the Railway Company's liabilities. The policy is to accumulate funds adequate to cover expenditure which cannot be accurately predicted, taking reasonable account of the Talyllyn Railway Company's strategic plans for renewal and enhancement, and to review the level of such reserves regularly.

The Railway continues to face a period of uncertainty, with high inflation impacting both our input costs and the cost-of living for our customers, which in turn could impact on our level of demand. Although it is yet to be seen how these factors will impact the Railway's ability to cover future expenditure, as at 31 January 2025, the Trustees believe that the level of reserves remain adequate to cover future demands which it is reasonable to anticipate.

Free reserves at 31 January 2025 amounted to £1,201,527 (2024: £928,729).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2025

d. Principal risks and uncertainties

The Trustees have a comprehensive Risk Register which is regularly reviewed. The key risks facing the railway and charity include loss of income, impact of losing volunteers and possible IT and cyber attacks.

Each risk is scored and appropriate mitigation and additional actions or controls are identified and enacted. The Trustees are therefore confident that the major financial and non-financial risks faced by the organisation are being suitably managed. The charity's risks are also managed by careful maintenance of its assets, conservative investment of funds in hand and only making grants from those funds. A safeguarding policy is in place.

Structure, governance and management

a. Structure

Talyllyn Holdings Limited was incorporated in 1952 under the Companies Acts as a Company Limited by Guarantee without share capital (Registration number: 511996) and is governed by its Memorandum and Articles of Association most recently updated and adopted on 26th. August 2021. It was registered as a charity on 25th. October 2001 with the Charity Commission for England and Wales (Registration number: 1089053). The ultimate controlling organization is the Talyllyn Railway Preservation Society, which was incorporated as a Company Limited by Guarantee (Registration number: 15595769) on 26th. March 2024, by virtue of its ability to appoint four out of the six Directors. The Board met six times during the year and considered the financial position at each meeting.

b. Recruitment and appointment of new Trustees

Trustees are appointed in accordance with the Company's Articles of Association as approved by the Charity Commission. The majority of the Trustees are appointed by and from the Council of the Talyllyn Railway Preservation Society and as such have considerable experience of working with the existing trustees.

c. Induction and training of Trustees

New Trustees are provided with information on their role and responsibilities as a trustee, together with a copy of the Memorandum and Articles of Association and the latest Report and Financial Statements. Trustees are kept up to date as appropriate with developments within the charitable sector.

d. Related parties

Trustees are obliged to disclose any related parties or conflicts of interest and may not take part in any vote at meetings which involves decisions being made in respect of agreements or otherwise with these parties.

e. Key Management Personnel

The charity considers its key management personnel to be the Trustees, the Company Secretary and the Chief Financial Officer. The Trustees and Officers are all volunteers and receive no remuneration from the Company; no Trustee was reimbursed expenses in the year (2024: £Nil). The charity has no paid employees.

Employees of the Railway Company are remunerated based on normal commercial terms benchmarked on the local employment market.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2025

Plans for future periods

A Strategy for the Railway for ten years from 2014 was published in December 2013 and updated in 2016 for the period to 2025. This strategy remains in place and is considered appropriate by the Trustees. It is intended to complete a review of the strategy in the near term.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' 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 . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2025

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, BHP LLP will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The report has been prepared having taken advantage of the small companies exemption in the Companies Act 2006.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Signer ID: IJQY0YOGSE...

D G Ventry

(Chair of Trustees)

Date: 18/07/2025 GMT

TALYLLYN HOLDINGS LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TALYLLYN HOLDINGS LIMITED

We have audited the financial statements of Talyllyn Holdings Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 January 2025, which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated 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 group's and parent charitable company's affairs as at 31 January 2025, and of the group's 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.

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 group and parent 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 group and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the 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.

Other information

The other information comprises the information included in the trustees' 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 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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TALYLLYN HOLDINGS LIMITED (CONTINUED)

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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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; or
- 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, the trustees (who are also the directors of the parent 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 group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TALYLLYN HOLDINGS LIMITED (CONTINUED)

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

- 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 group and parent charitable company through discussions with management and trustees, and from our knowledge and experience of this organisation;
- 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 group and parent charitable company, including the Charities Act 2011, the Companies Act 2006, data protection, health and safety legislation and employment law. In addition to this, we specifically reviewed compliance with railway safety standards and ensured the railway continued to hold the necessary certification required to operate the railway;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and trustees; 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 of the group and parent charitable company.

We assessed the susceptibility of the group and parent charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- making enquiries of management and trustees 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 risks of fraud through management bias and override controls, we:

- performed analytical procedures to identify any unusual or unexpected variances;
- tested journal entries to identify unusual transactions;
- assessed whether judgments and assumptions made in determining the accounting estimates set out in note 3 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.

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TALYLLYN HOLDINGS LIMITED (CONTINUED)

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.

A further description of our responsibilities is available on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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. 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.

Laura Masheder

Signer ID: IPFNE7JEI6...

Laura Masheder (Senior statutory auditor)

for and on behalf of

BHP LLP

Chartered Accountants

Statutory Auditor

Rievaulx House

1 St Mary's Court

Blossom Street

York

YO24 1AH

Date: 18/07/2025 GMT

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JANUARY 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:					
Donations and legacies	4	601,727	298,645	900,372	427,798
Charitable activities	5	797,223	-	797,223	756,094
Other trading activities	6	758,394	-	758,394	698,539
Investments	7	32,876	-	32,876	14,223
Other income	8	19,720	-	19,720	8,574
Total income		2,209,940	298,645	2,508,585	1,905,228
Expenditure on:					
Raising funds	9	634,531	-	634,531	563,619
Charitable activities	10	1,360,946	78,484	1,439,430	1,342,838
Total expenditure		1,995,477	78,484	2,073,961	1,906,457
Net movement in funds		214,463	220,161	434,624	(1,229)
Reconciliation of funds:					
Total funds brought forward		3,729,057	44,367	3,773,424	3,774,653
Net movement in funds		214,463	220,161	434,624	(1,229)
Total funds carried forward	20	3,943,520	264,528	4,208,048	3,773,424

The Statement of Financial Activities complies with the requirements for an income and expenditure account under the Companies Act 2006 and includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00511996

CONSOLIDATED BALANCE SHEET
AS AT 31 JANUARY 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	14	1,646,166	1,969,593
Heritage assets	15	1,054,331	640,089
		<hr/>	<hr/>
		2,700,497	2,609,682
Current assets			
Stocks	17	187,840	163,470
Debtors	18	58,695	149,376
Cash at bank and in hand	24	1,360,956	1,082,542
		<hr/>	<hr/>
		1,607,491	1,395,388
Current liabilities			
Creditors: amounts falling due within one year	19	(99,940)	(231,646)
		<hr/>	<hr/>
Net current assets		1,507,551	1,163,742
		<hr/>	<hr/>
Total assets less current liabilities		4,208,048	3,773,424
		<hr/>	<hr/>
Total net assets	20	4,208,048	3,773,424
		<hr/> <hr/>	<hr/> <hr/>

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00511996

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 JANUARY 2025

	Note	2025 £	2024 £
Charity funds			
Restricted funds	20	264,528	44,367
Unrestricted funds			
Designated funds	20	2,700,497	2,609,682
General funds	20	1,243,023	1,119,375
Total unrestricted funds	20	3,943,520	3,729,057
Total funds		4,208,048	3,773,424

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Signer ID: IJQY0YOGSE...

D G Ventry

Chair of Trustees

Date: 18/07/2025 GMT

The notes on pages 20 to 43 form part of these financial statements.

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00511996

COMPANY BALANCE SHEET
AS AT 31 JANUARY 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	14	455,703	463,946
		<u>455,703</u>	<u>463,946</u>
Current assets			
Debtors	18	23,689	145,672
Cash at bank and in hand		1,329,550	957,420
		<u>1,353,239</u>	<u>1,103,092</u>
Current liabilities			
Creditors: amounts falling due within one year	19	(21,495)	(21,265)
		<u>1,331,744</u>	<u>1,081,827</u>
Net current assets			
		<u>1,331,744</u>	<u>1,081,827</u>
Total assets less current liabilities		<u>1,787,447</u>	<u>1,545,773</u>
Total net assets		<u>1,787,447</u>	<u>1,545,773</u>
Charity funds			
Restricted funds	20	264,528	24,456
Unrestricted funds	20	1,522,919	1,521,317
		<u>1,787,447</u>	<u>1,545,773</u>
Total funds		<u>1,787,447</u>	<u>1,545,773</u>

The Company's net movement in funds for the year was £241,674 (2024 - £(26,721)).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Signer ID: UJOY0YOGSE...

D G Ventry

Chair of Trustees

Date: 18/07/2025 GMT

The notes on pages 20 to 43 form part of these financial statements.

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash used in operating activities	23	495,370	52,587
		<hr/>	<hr/>
Cash flows from investing activities			
Investment income		32,876	14,223
Purchase of tangible fixed assets		(248,557)	(312,002)
Purchase of heritage assets		(1,275)	(29,781)
		<hr/>	<hr/>
Net cash used in investing activities		(216,956)	(327,560)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		278,414	(274,973)
Cash and cash equivalents at the beginning of the year		1,082,542	1,357,515
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	24	1,360,956	1,082,542
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

1. General information

The charity is limited by guarantee, incorporated in the United Kingdom, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £5 towards the assets of the charity in the event of liquidation.

The address of its registered office is: Wharf Station, Tywyn, Gwynedd, LL36 9EY.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements. The charity's own results for the year is disclosed on the charity balance sheet.

2.2 Going concern

The financial performance of the operating subsidiary, Talylyn Railway Company, continues to be a concern with the levels of operating income deficit, with 2024 year similar to 2023. As outlined in the Financial Review this challenge is unlikely to dissipate.

The Trustees as a consequence understand there is a strong need to hold good levels of free reserves so that they are in a position to support the operating activities over and above the excellent continued support of our Society members and donors. Cash reserves remain high, and very careful consideration is being given to any projects that might reduce that.

As a consequence, the trustees have confidence that the charity remains a going concern for the foreseeable future.

2. Accounting policies (continued)

2.3 Income

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

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Company, can be reliably measured.

Grants are included in the Consolidated Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Support costs and governance costs have been differentiated from other costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees. Governance costs and support costs relating to charitable activities have been apportioned appropriately. The allocation of support and governance costs is analysed in the notes.

2. Accounting policies (continued)

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Buildings	- Over 50 years
Plant, machinery, fixtures and fittings	- Over 10 years
Commercial operations, office and IT	- Over 5 years
Permanent way and infrastructure	- Over 40 years
Locomotives	- Over 20 years
Rolling stock	- Over 40 years

Assets under the course of construction are not depreciated until they are brought into use.

The land occupied for the operation of the Railway is a right-of-way unique to The Talyllyn Railway Company as determined by the 1865 Act of Parliament authorising the construction of the railway, and as such does not constitute a saleable item. Therefore, in the opinion of the Trustees it is fairly represented at nil value in the financial statements.

2.7 Heritage assets

Where heritage assets have been purchased, they are initially recognised at cost. After recognition, under the cost model, heritage assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

The items included within heritage assets relate to the Talyllyn Railway and were acquired by the charity in accordance with its aim to preserve and maintain the railway.

2. Accounting policies (continued)

2.8 Stocks

Stocks consist of goods to be sold in the shop and cafe as well as engineering and consumable items for use on the railway and are valued at the lower of cost and net realisable value.

At each reporting date, stocks are assessed for impairment. If stocks are impaired, the impairment loss is recognised immediately in the statement of financial activities.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Liabilities and provisions

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 Company 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.

2.12 Tax

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

2.13 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.14 Employee benefits

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

2.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

Specifically, material judgements and estimates are required in determining the useful economic life of tangible and heritage assets and any potential stock provisions.

Useful economic lives of tangible and heritage assets

The trustees have used their judgement in estimating the useful economic lives (UELs) of assets. UELs have been estimated based on management's knowledge of the assets.

Stock provisions

Stock is valued at the lower of cost and net realisable value. Provisions are made for obsolete, damaged, or slow-moving items based on regular reviews and management judgment of future use.

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

4. Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Donations	80,850	203,584	284,434	133,751
Legacies	424,385	27,773	452,158	152,526
Grants	74,820	67,288	142,108	115,488
Tax recoverable	21,672	-	21,672	26,033
	<u>601,727</u>	<u>298,645</u>	<u>900,372</u>	<u>427,798</u>
Total 2024	<u>288,948</u>	<u>138,850</u>	<u>427,798</u>	

5. Income from charitable activities

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Railway operations	797,223	797,223	756,094
Total 2024	<u>756,094</u>	<u>756,094</u>	

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Shop income	207,850	207,850	186,110
Catering income	550,544	550,544	512,429
	<u>758,394</u>	<u>758,394</u>	<u>698,539</u>
Total 2024	<u>698,539</u>	<u>698,539</u>	

7. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Interest receivable on bank deposits	32,876	32,876	14,223
Total 2024	<u>14,223</u>	<u>14,223</u>	

8. Other income

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Other income	19,720	19,720	8,574
Total 2024	<u>8,574</u>	<u>8,574</u>	

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

9. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Cost of goods sold	334,483	334,483	295,472
Support costs	29,797	29,797	28,907
Staff costs	270,251	270,251	239,240
	<hr/> 634,531 <hr/>	<hr/> 634,531 <hr/>	<hr/> 563,619 <hr/>
Total 2024	<hr/> 563,619 <hr/>	<hr/> 563,619 <hr/>	

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Total 2024 £
Railway operating costs	240,506	32,765	273,271	324,477
Support costs	421,435	13,391	434,826	373,434
Staff costs	676,965	32,328	709,293	623,863
Governance	22,040	-	22,040	21,064
	<u>1,360,946</u>	<u>78,484</u>	<u>1,439,430</u>	<u>1,342,838</u>
Total 2024	<u>1,232,776</u>	<u>110,062</u>	<u>1,342,838</u>	

Analysis of expenditure by activities

	Direct costs 2025 £	Support costs 2025 £	Total funds 2025 £	Total funds 2024 £
Railway operating costs	273,271	-	273,271	324,477
Support costs	-	434,826	434,826	373,434
Staff costs	709,293	-	709,293	623,863
Governance	22,040	-	22,040	21,064
	<u>1,004,604</u>	<u>434,826</u>	<u>1,439,430</u>	<u>1,342,838</u>
Total 2024	<u>969,404</u>	<u>373,434</u>	<u>1,342,838</u>	

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2025 £	Total funds 2024 £
Depreciation	109,573	96,023
Rent, rates and insurance	35,543	23,886
Electricity, water and gas	69,971	63,073
Printing and stationery	5,624	5,842
Advertising and publicity	44,043	31,017
Postage and telephone	7,080	3,623
Bank and credit card charges	30,912	26,510
Cleaning and first aid	6,697	13,747
Accountancy services and systems	25,500	23,500
Legal and professional fees	8,204	10,521
HR consultancy	840	790
HRA subscription and meeting expenses	4,463	4,914
Grants payable	1,660	1,527
Messroom supplies and free staff/volunteer drinks	7,598	6,849
Refuse collection and disposal	14,981	10,835
Premises licences	-	271
Security and alarm	5,293	6,978
Consumables and disposables	12,976	14,310
Computer expenses	24,456	24,778
Miscellaneous	15,476	1,201
Repairs and renewals	3,936	3,239
	434,826	373,434

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

11. Auditors' remuneration

	2025	2024
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual accounts	19,250	18,500
Fees payable to the Company's auditor in respect of: All non-audit services not included above	2,600	2,500

12. Staff costs

	Group	Group	Company	Company
	2025	2024	2025	2024
	£	£	£	£
Wages and salaries	841,430	741,692	-	804
Social security costs	60,343	50,561	-	-
Contribution to defined contribution pension schemes	33,566	33,231	-	-
Other staff costs	44,205	37,619	-	-
	979,544	863,103	-	804

The average number of persons employed by the Company during the year was as follows:

	Group	Group
	2025	2024
	No.	No.
Catering	19	18
Engineering	14	13
Shop	1	1
Railway operations and administration	8	7
Museum	2	2
	44	41

It should be noted that the average number of employees includes all employees regardless of hours worked and is not stated on a full time equivalent basis. The numbers are therefore highly distorted by seasonal staff working short hours.

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

12. Staff costs (continued)

No employee received remuneration amounting to more than £60,000 in either year.

The charity considers its key management personnel to be the Trustees, the Company Secretary and the Chief Financial Officer. The Trustees and Officers are all volunteers and receive no remuneration from the Company or Group.

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2024 - £NIL).

During the year ended 31 January 2025, no Trustee expenses have been incurred (2024 - £NIL).

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

14. Tangible fixed assets

Group

	Buildings £	Plant and machinery £	Motor vehicles £	Commercial operations, office and IT £	Assets under construction £	Total £
<i>Cost or valuation</i>						
At 1 February 2024	2,055,707	188,521	24,245	85,233	424,260	2,777,966
Additions	-	-	-	14,903	233,654	248,557
Disposals	-	-	-	-	(49,444)	(49,444)
Transfers between classes	-	-	-	-	(443,480)	(443,480)
At 31 January 2025	<u>2,055,707</u>	<u>188,521</u>	<u>24,245</u>	<u>100,136</u>	<u>164,990</u>	<u>2,533,599</u>
<i>Depreciation</i>						
At 1 February 2024	651,345	90,442	15,110	51,476	-	808,373
Charge for the year	40,149	18,852	4,387	15,672	-	79,060
At 31 January 2025	<u>691,494</u>	<u>109,294</u>	<u>19,497</u>	<u>67,148</u>	<u>-</u>	<u>887,433</u>
<i>Net book value</i>						
At 31 January 2025	<u><u>1,364,213</u></u>	<u><u>79,227</u></u>	<u><u>4,748</u></u>	<u><u>32,988</u></u>	<u><u>164,990</u></u>	<u><u>1,646,166</u></u>
At 31 January 2024	<u><u>1,404,362</u></u>	<u><u>98,079</u></u>	<u><u>9,135</u></u>	<u><u>33,757</u></u>	<u><u>424,260</u></u>	<u><u>1,969,593</u></u>

Land with a value of £95,058 (2024: £95,058) is included in Buildings and not depreciated.

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

14. Tangible fixed assets (continued)

Company	Buildings £
<i>Cost or valuation</i>	
At 1 February 2024	507,196
At 31 January 2025	<u>507,196</u>
<i>Depreciation</i>	
At 1 February 2024	43,250
Charge for the year	8,243
At 31 January 2025	<u>51,493</u>
<i>Net book value</i>	
At 31 January 2025	<u><u>455,703</u></u>
At 31 January 2024	<u><u>463,946</u></u>

TALYLLYN HOLDINGS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

15. Heritage assets

Group

Assets recognised at cost

	Permanent way and infrastructure 2025 £	Locomotives and rolling stock 2025 £	Total 2025 £
Carrying value at 1 February 2024	180,099	459,990	640,089
Additions	-	1,275	1,275
Depreciation	(5,286)	(25,227)	(30,513)
Transfers between classes	-	443,480	443,480
	<u>174,813</u>	<u>879,518</u>	<u>1,054,331</u>

Analysis of heritage asset transactions

Group

	2025 £	2024 £	2023 £	2022 £	2021 £
Purchases					
Assets purchased	1,275	29,781	-	-	38,042
Additions transferred from tangible fixed assets	443,480	264,071	-	-	-
Total additions	<u>444,755</u>	<u>293,852</u>	<u>-</u>	<u>-</u>	<u>38,042</u>
Charge for depreciation					
Assets purchased	30,513	17,226	16,490	15,856	15,540
Total charge for depreciation	<u>30,513</u>	<u>17,226</u>	<u>16,490</u>	<u>15,856</u>	<u>15,540</u>

TALYLLYN HOLDINGS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

16. Fixed asset investments

The following was a subsidiary undertaking of the Company:

Name	Company number	Class of shares	Holding	Included in consolidation
The Talyllyn Railway Company	ZC000204	Ordinary	100%	Yes

The subsidiary's principal purpose is the running and maintenance of the Talyllyn Railway on behalf of the charity.

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	(Loss) for the year £	Net assets £
The Talyllyn Railway Company	1,989,664	(1,975,181)	14,483	527,860

17. Stocks

	Group 2025 £	Group 2024 £
Fuel and consumables	24,586	58,240
Maintenance	101,898	59,521
Goods for resale	61,356	45,709
	187,840	163,470

TALYLLYN HOLDINGS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

18. Debtors

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
<i>Due within one year</i>				
Trade debtors	675	300	-	-
Amounts owed by group undertakings	-	-	-	105,122
Amounts owed by participating interests	13,129	6,296	13,129	6,326
Other debtors	12,031	47,270	-	-
Prepayments and accrued income	32,860	95,510	10,560	34,224
	58,695	149,376	23,689	145,672

19. Creditors: Amounts falling due within one year

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Trade creditors	37,237	143,187	-	-
Amounts owed to group undertakings	-	-	231	-
Other taxation and social security	14,238	12,861	-	265
Other creditors	2,100	10,054	264	-
Accruals and deferred income	46,365	65,544	21,000	21,000
	99,940	231,646	21,495	21,265

	Group 2025 £	Group 2024 £
Deferred income at 1 February 2024	13,817	16,859
Amounts released from previous periods	(3,463)	(3,042)
	10,354	13,817

Deferred income relates to ticket sales bought in advance of events occurring or for use in future years.

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

20. Statement of funds

Statement of funds - current year

	Balance at 1 February 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 January 2025 £
Unrestricted funds					
Designated funds					
Designated funds - Fixed assets	2,609,682	-	(109,427)	200,242	2,700,497
General funds					
General funds	1,119,375	2,209,940	(1,886,050)	(200,242)	1,243,023
Total Unrestricted funds	3,729,057	2,209,940	(1,995,477)	-	3,943,520
Restricted funds					
2019 AGM carriage heating appeal	2,585	-	-	-	2,585
2023 AGM fall arrest system appeal	4,325	-	(1,081)	-	3,244
AGM 2024 Outdoor gang tool appeal	-	2,045	(1,415)	-	630
Graham Guilford fund	18,678	2,195	(1,660)	-	19,213
Winding House Project	14,050	-	(9,235)	-	4,815
75 Appeal	2,831	201,404	-	-	204,235
Carbon offset donations	1,898	135	-	-	2,033
Pamela Janes Legacy	-	27,773	-	-	27,773
Preserving Our Past, Building Our Future	-	65,093	(65,093)	-	-
	44,367	298,645	(78,484)	-	264,528
Total of funds	3,773,424	2,508,585	(2,073,961)	-	4,208,048

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 February 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 January 2024 £
Unrestricted funds					
Designated funds					
Designated funds - Fixed assets	54,004	-	-	2,555,678	2,609,682
General funds					
General funds	2,650,368	1,766,378	(1,796,395)	(1,500,976)	1,119,375
Total Unrestricted funds	2,704,372	1,766,378	(1,796,395)	1,054,702	3,729,057
Restricted funds					
2019 AGM carriage heating appeal	940,734	-	(30,347)	(910,387)	-
2023 AGM fall arrest system appeal	68,317	-	(7,976)	(60,341)	-
2024 AGM Outdoor gang tool appeal	36,774	-	(952)	(35,822)	-
Open Carriages appeal	-	1,924	(1,924)	-	-
Carbon offset donations	2,585	-	-	-	2,585
Graham Guilford fund	1,686	212	-	-	1,898
Winding House Project	20,185	20	(1,527)	-	18,678
Graham Guilford fund	-	4,325	-	-	4,325
75 Appeal	-	14,050	-	-	14,050
Carbon offset donations	-	2,831	-	-	2,831
Three New Bogie Coaches	-	82,292	-	(82,292)	-
Preserving our past, building our future	-	33,196	(67,336)	34,140	-
	1,070,281	138,850	(110,062)	(1,054,702)	44,367
Total of funds	3,774,653	1,905,228	(1,906,457)	-	3,773,424

20. Statement of funds (continued)

The transfer in the current year to designated fund represents additions and current year movements from general funds of fixed assets.

The fund for the Wharf Building made possible the construction of a large building accommodating the Narrow Gauge railway Museum, Shop and Catering operations and offices, completed in 2005.

The fund for Loco No.3 "Sir Haydn" contributed to the comprehensive rebuild and refurbishment of this historic locomotive which was completed in 2018.

The fund for the Corris Coach facilitated the extensive refurbishment of the Corris Coach completed in 2021.

The Graham Guilford Fund was created through a legacy from the late Graham Guilford to benefit young volunteers. It is now used and administered to provide grants to young people in order that they may spend time volunteering on the railway which might otherwise not be financially possible. It is boosted by new donations from time to time.

The Winding House Project is a plan to restore, display and interpret the old winding house drum from the village incline east of Abergynolwyn. It will be entirely funded through donations.

Three New Bogie Coaches are being constructed at the Ffestiniog Railways Boston Lodge works, a project in excess of £550,000. £300,000 of this funding is from a grant from the Welsh Coastal Communities Fund, all of which was received at the year end. The balance is made up from designated funds from the Company's free reserves. At the end of the year two of these carriages, numbers 24 and 25 had been received and entered service

The Preserving Our Past, Building Our Future project is a plan to invest in various infrastructure projects, including the engineering works and volunteer accommodation, to secure the railways future and to improve the access and interpretation of the railway's heritage. The National Lottery Heritage Fund has provided up to £110,000 against the expected cost of the project development phase of £223,125. The 75 Appeal is the related fundraising for the project.

The Pamela Janes Legacy is monies received for carriage restoration and for maintaining the character and ambience of the line.

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

21. Summary of funds

Summary of funds - current year

	Balance at 1 February 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 January 2025 £
Designated funds	2,609,682	-	(109,427)	200,242	2,700,497
General funds	1,119,375	2,209,940	(1,886,050)	(200,242)	1,243,023
Restricted funds	44,367	298,645	(78,484)	-	264,528
	3,773,424	2,508,585	(2,073,961)	-	4,208,048

Summary of funds - prior year

	Balance at 1 February 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 January 2024 £
Designated funds	54,004	-	-	2,555,678	2,609,682
General funds	2,650,368	1,766,378	(1,796,395)	(1,500,976)	1,119,375
Restricted funds	1,070,281	138,850	(110,062)	(1,054,702)	44,367
	3,774,653	1,905,228	(1,906,457)	-	3,773,424

22. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	1,646,166	-	1,646,166
Heritage assets	1,054,331	-	1,054,331
Current assets	1,342,963	264,528	1,607,491
Creditors due within one year	(99,940)	-	(99,940)
Total	3,943,520	264,528	4,208,048

TALYLLYN HOLDINGS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	1,969,593	-	1,969,593
Heritage assets	640,089	-	640,089
Current assets	1,351,021	44,367	1,395,388
Creditors due within one year	(231,646)	-	(231,646)
	<u>3,729,057</u>	<u>44,367</u>	<u>3,773,424</u>
Total	<u>3,729,057</u>	<u>44,367</u>	<u>3,773,424</u>

23. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2025 £	Group 2024 £
Net income/(expenditure) for the period (as per Statement of Financial Activities)	434,624	(1,229)
Adjustments for:		
Depreciation charges	109,573	96,023
Investment income	(32,876)	(14,223)
Loss on disposal of assets under construction	49,444	-
Increase in stocks	(24,370)	(58,115)
Decrease in debtors	90,681	939
(Decrease)/increase in creditors	(131,706)	29,192
	<u>495,370</u>	<u>52,587</u>
Net cash provided by operating activities	<u>495,370</u>	<u>52,587</u>

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

24. Analysis of cash and cash equivalents

	Group 2025	Group 2024
	£	£
Cash in hand	1,360,956	1,082,542
<i>Total cash and cash equivalents</i>	1,360,956	1,082,542

25. Analysis of changes in net debt

	At 1 February 2024	Cash flows	At 31 January 2025
	£	£	£
Cash at bank and in hand	1,082,542	278,414	1,360,956
	1,082,542	278,414	1,360,956

There is no debt in the current or previous year.

26. Capital commitments

	Group 2025	Group 2024
	£	£
<i>Contracted for but not provided in these financial statements</i>		
Acquisition of tangible fixed assets	41,496	190,646

27. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £nil (2024 - £3,918) were payable to the fund at the balance sheet date and are included in creditors.

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

28. Related party transactions

During this year the group received a donation from The Talyllyn Railway Preservation Society of £75,000 (2024: £nil).

At the balance sheet date, amounts due from The Talyllyn Railway Preservation Society was £13,129 (2024: £6,296).

Amounts of £55,788 (2024: £43,063) was remunerated to the close family members of one of the Trustees, in their capacity as employees on the Railway. No amount was outstanding as at year end.

29. Controlling party

Talyllyn Holdings Limited is controlled by the right of appointment of the majority of directors by the Talyllyn Railway Preservation Society.

In the opinion of the trustees there is no ultimate controlling party of the charity.

TALYLLYN HOLDINGS LIMITED

England & Wales - Charity number 1089053

Accounts

Registered number: 00511996
Charity number: 1089053

TALYLLYN HOLDINGS LIMITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2024

TALYLLYN HOLDINGS LIMITED

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TALYLLYN HOLDINGS LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 JANUARY 2024

Trustees	K F M Hayes R G W Jones E J Mann D H W Poulson C K Theobald D G Ventry
Company registered number	00511996
Charity registered number	1089053
Registered office	Wharf Station Tywyn Gwynedd LL36 9EY
Company secretary	A J Simner
Chairman	D G Ventry
Chief Financial Officer	G Mumford
Independent auditors	BHP LLP Chartered Accountants Rievaulx House 1 St Mary's Court Blossom Street York YO24 1AH

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JANUARY 2024

The Trustees present their annual report together with the audited consolidated financial statements of the Company for the year 1 February 2023 to 31 January 2024. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the group and the Company qualify as small under section 383 of the Companies Act 2006, the Group Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Principal activity

The objects of the Company include the preservation of the historic structures and equipment of the Talyllyn Railway and the promotion of public knowledge of and access to them. To this end it is the beneficial owner of all the shares in the Talyllyn Railway Company and the owner or lessee of various assets peripheral to that ownership. The principal activity of the subsidiary is that of operating and maintaining the Talyllyn Railway.

The strategies employed to achieve these objectives are to:

- retain the beneficial ownership of all the shares in the Talyllyn Railway Company;
- control the Railway Company by the election of its Directors in accordance with established custom;
- raise money from individuals and organisations;
- make grants in accordance with its Objects;
- encourage volunteers on the Railway, in particular by the provision of accommodation;
- make loans to the Railway Company when required by exceptional circumstances.

b. Public benefit

The Trustees have referred to the Charity Commission's guidance on public benefit when reviewing the Company's aims and objects and in planning future activities of the group. We consider that the group carries out its charitable activities for the benefit of the general public.

Talyllyn Holdings makes grants primarily to ensure the survival of the Talyllyn Railway which was the earliest narrow-gauge railway constructed with the use of steam haulage and the carriage of passengers envisaged from the outset. Grants are also made to individuals who volunteer on the Railway and benefit educationally from the experience, and undertakes some direct educational work. Through the Talyllyn Railway Company it provides employment in the area, including apprenticeship opportunities for valuable skills learning. It reaches out to local communities by participating in local events and providing work experience for schools and colleges. Research in North Wales and elsewhere shows that heritage railways provide significant economic advantages to their local areas.

Achievements and activities

a. Main achievements of the Company

We are pleased to say that the Railway started the year in a strong financial position with a healthy cash reserve, however our focus would be in keeping a tight control on expenditure.

We decided not to submit the final bid for the grant from the Shared Prosperity Fund for the Wharf Heritage Shed. However, a project manager was appointed to progress the development phase of the NLHF fund redevelopment project. Loco no.4 Edward Thomas was sent to the Vale of Rheidol for maintenance, and it was agreed that while it was there it would be repainted. Work on loco no.6 Douglas, would be deferred to a later date. Carriage 24, build at Boston Lodge Works on the Ffestiniog Railway was delivered to Wharf.

After many years of service, the Membership Secretaries, Peter and Rachel Featherstone, retired and Council set up a working group to find replacements and to look at Membership secretary matters going forward.

The availability of sufficient volunteers was a challenge at certain points during the year and ways to recruit new volunteers and aid the retention of existing volunteers was further discussed, including a Volunteer survey, which produced some interesting insights. As with the previous year, to help with Volunteer accommodation, Angorfa was booked for the 2023 season.

There has been a lot of work during the year to move the Society towards becoming an Incorporated body and to ensure that the correct information was distributed to our members in time for the AGM. We will then have one member, one vote at the 2024 AGM. We also agreed on a Welsh Language policy and Ethics policy for donations.

We would like to thank everyone for supporting the Railway throughout 2023; not only those members who have volunteered in many ways, both in operational roles and behind the scenes, but also our staff and the membership who continue to support our Railway. We very much appreciate the generosity of members, both in donations and legacies. We can look forward with optimism for 2024 and meet the challenges that another year will bring.

b. Traffic and Operating

The year ending 31st. January 2024 saw 82,212 passenger journeys, an increase of 1.9% on the previous year. For comparison the total for 2019–20, the last pre-Covid-19 year, was 94,811. Public bookings were 34,880 (2022–23: 34,728; 2019–20: 40,443).

The timetable reverted to a first departure from Tywyn Wharf at 10:30 except in the peak service; this later start was welcomed by operating staff and seemed to work well for passengers. The computerized ticket issuing system at Wharf received a major upgrade making many tasks easier for booking clerks.

Special trains were run on 6th. May to celebrate the coronation of King Charles III as they had been for that of his Mother seventy years before, giving us some excellent publicity. Numerous other specials included welcoming locomotive No. 2 Dolgoch back for Founders' Day on 14th. May.

Santa Specials in December followed a revised pattern with Father Christmas doing the honours at Wharf after a short return trip on the train. This improved conditions for the staff but received a mixed response from passengers.

The Training Team contributed as usual to the safety and efficiency of our operations. The Operating Documents Working Group performed a sterling job introducing the new Rules and Operating Procedures which superseded the 1999 Rules from 1st. February 2024.

Achievements and activities (continued)

Despite early worries, Welsh steam coal from Ffos-y-Fran was secured for the year and additional stocks acquired during the Winter to cover most of 2024. With none now being mined, fuel for future years remains a major source of concern, possibly involving imports from Poland, Kazakhstan or even Colombia.

Sadly, Dave Scotson died on the last day of the calendar year. He had been an employee of the Railway Company since 1985 and in charge of Traffic and Operating under various job titles since mid-2008. As well as the heavy workload he carried with the role, he will be missed for his wide-ranging and deep knowledge of all aspects of the Talyllyn Railway and his dry sense of humour.

c. Shop and Catering

The Shop and Catering activities of the Talyllyn Railway Company are important in generating a surplus to further the charitable objectives of Talyllyn Holdings. The special events Awdry, Halloween, Locals nights have all seen an excellent return.

The Shop performed steadily throughout the year, and we were grateful for volunteer support. The Shop offering is carefully considered as it needs to appeal to the enthusiast as well as the holiday maker particularly merchandising, however as is expected the calendar and Christmas Cards were very successful. The merchandise for the Awdry weekend all sold exceptionally well.

Catering exceeded all expectations. With little staff turnover we were able to concentrate on advertising and promotion of new offerings to those on holiday as well as to the locals. Buying in prices have stabilised and we are able to negotiate better deals with suppliers. Looking forward, the opening of yet another café on Tywyn High Street will affect our trade throughout 2024 especially when we are not running trains.

d. Engineering

The Company's Object of the preservation, restoration, maintenance and protection of the structures, rolling stock, plant, equipment and artefacts of the Talyllyn Railway is largely an engineering activity carried out by the Talyllyn Railway Company with the aid of grants from the Company.

Loco no.1 Talyllyn is now back following an overhaul of its boiler at the Watercress line. Since returning, it has already double headed on several occasions, which is a joy to see. Loco no.2 Dolgoch has been the star of the year with just the routine maintenance and annual boiler inspection. Loco no.3 Sir Haydn unfortunately had numerous issues and repairs during the year, including some major ones to the cross shaft and draincocks. Loco no.6 Douglas is now out of service due to the expiry of its 10-year boiler certificate, with minor items of work being started. Loco no.7 Tom Rolt has needed quite a few repairs, with the clacks being changed, a broken spring and an issue with the lubricator linkage, which now has a replacement part made.

In our diesel fleet, no.11 Trecwn suffered an axle bearing failure which put it out of service for much of the year. The other Baguely, no.12 St. Cadfan has been serviced and was generally in working order. No.9 Alf whilst having had a minor issue that meant a failure has since also been repaired and no.5 Midlander currently has its gearbox out as we seek to get that rebuilt. Toby Trolley and the Flail are now both back in service and being used regularly.

Carriage 27, the new open, progressed during the year. Carriages 9 and 20 have had a re-paint and minor repairs. Opens 11 and 13 became much larger repairs than expected but are now both back. Carriage 23 managed to have an axle bearing collapse, which was replaced.

Achievements and activities (continued)

We have had a very busy winter within the carriage and paint team, with Loco no.1 being painted. As part of the 75 appeal, we are also looking at what is still needed in Pendre and have been selling off or scrapping items of no use. S&T have been replacing failed cables throughout the railway and the update to LED lighting has been completed in Wharf offices.

e. Health & Safety

We had 34 staff accidents in 2023, 9 passenger accidents, 2 reportable incidents, 27 non-reportable incidents and 22 S&T incidents. The majority of accidents continue to occur between May and September, when we have most people visiting and run the most trains. Comparing between 2023 and 2022 we observe about the same number of accidents, albeit with fewer non-reportable and S&T incidents.

The SMS has been updated to include organisational changes and the new Rule Book. The Level Crossings risk assessments have been reviewed and updated, with new signage as applicable.

Engineering staff competency on machine tools is now up to date and stored in HOPs. COSHH assessments as well as safe operating procedures for all permanent and movable machinery and hand tools have been issued. Work is ongoing to upload all of the machinery assessments into HOPS so anyone can then check who is allowed to use what machinery within the workshop. Fire evacuation plans and training is being rolled out across Pendre.

Working at height awareness training has been rolled out for all staff and volunteers. We have risk assessed each engine individually and issuing guidance for all the cleaners. A specific TR training resource has been created. We have purchased two platforms for use in the loco and carriage sheds for the purpose of working at height safely. Training has also been updated on Bobcat, fire extinguishers and first aid including major trauma.

All the Duty Officers and Senior Managers have received training in drug and alcohol testing. This will enable us to defend ourselves and our volunteers in case of an incident. There is a breath analysis machine on site and a chain of custody procedure for testing for drugs.

f. Heritage

We continue to focus on projects which maintain or enhance the heritage of our Railway. Preparation work has continued for the restoration of the winding drum and designs are progressing towards the next phase. The standard gauge wagon and ex-Corris Van 6 have been returned from Stanegate in excellent condition. Elsewhere, the Young Members' Group are embarking on a project to build a replica gunpowder wagon and work has started on restoring the original locomotive number 5, with work underway on the chassis.

A successful heritage weekend was held in September 2023 with another event planned for AGM weekend 2024.

g. Fundraising

It is becoming more challenging to identify sources of grant funding, although the Young Members' Group were successful in obtaining a grant towards building a replica of our original gunpowder wagon. During the year there has been relatively little appeal activity in anticipation of the launch of the major redevelopment and associated '75 Appeal' in March 2024. However, we had a successful AGM appeal for equipment to help make working at height safer in our locomotive shed. There were also donations towards the work at the Winding House site and towards the Railway's new ballast wagon.

Achievements and activities (continued)

The Heart of Gold group continues to flourish, and we are very grateful for the monies donated by this group, which go into our general account meaning we can make use of it wherever required. Legacies also continued to contribute to our resources, and we thank everyone who has made provision for the Railway over the years.

The railway do not engage any third party external fundraisers, seeking to only fundraise through their own initiatives. There have been no complaints received during the year regarding the railway's fundraising procedures.

h. Key performance indicators

The Company is committed to self-evaluation, measuring the organisation both internally and externally. Financial information is presented to the Trustees at every meeting.

Financial review

a. Financial review

We continue to see a challenging financial picture in this year's results, as we did last year. Indeed, in many ways last years report could be reproduced here, and it would still reflect the position we are seeing.

As commented last year the financial model that the Talyllyn, in common with almost all other heritage railways, has relied on for many years no longer works in this post Covid period. Dramatically increasing costs are not being offset by income increases as they once were. Visitor numbers have remained fairly static for many years, and it is difficult to see how this will increase substantially given the constraints of the railway's geographical location and our limited ability to attract visitors in.

Whilst operating costs have settled, they remain very high compared to just a few short years ago. Coal is not only a challenge in terms of supply, particularly following the closure of Ffos-y-Fran in late 2023, but also still being at price levels a multiple of what we were paying just a few short years ago. We then see the increased costs of other energy, and two years of over 10% rises in the Real Living Wage pushing up payroll costs, already challenged through local supply. The decision was taken to stockpile coal from Ffos-y-Fran before it's closure, leading to the Wharf Yard being very full of the black stuff over the winter and early into the season.

Whilst the years operating deficit in the subsidiary Talyllyn Railway Company shows an improvement over 2022, it is still running at historical highs. This has to be funded, not only via the traditional route of Talyllyn Railway Preservation Society support but also now through funds from the parent charity, Talyllyn Holdings. The budget for the 2024 year is showing that the level of deficit is likely to increase again in the new financial year.

One massive success story in the 2023 results is the extraordinary surplus recorded in the Catering operation, well above anything previously seen. This was achieved through income increases, better margins and managing the staffing costs. The latter always being a massive challenge. The surpluses from these secondary spend activities, Shop and Catering, are a massive contributor and without them the financial picture would undoubtedly be quite unmanageable.

The charity had another strong year in income from donations, grants and legacies. Legacies though did not repeat the extraordinary level of the previous year. The charity continues to maintain strong levels of free reserves despite some commitments to large projects. This is now even more critical than ever as noted above the levels of financial support to operate the railway is likely to need to increase going forwards.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2024

Net assets are now £3,773,424, as compared to £3,774,653, a decrease of £1,229. Within the total of net assets, £2,609,682 (2023: £54,004) is represented by designated funds, £1,119,375 (2023: £2,704,372) represented by general funds and £44,367 (2023: £1,070,281) is contained within restricted funds.

b. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

c. Reserves policy

The regular, unrestricted income is sufficient to cover the day to day running of the charity. The agreed reserve policy for 2023/24 was to have available a minimum of £400,000 to £600,000 in unrestricted funds. Based on the risk profile of the income and expenditure, this was deemed an appropriate amount to cover any sudden increases in expenditure, or decreases in income. Any unrestricted funds held over and above this are regularly monitored with the intention of using them to forward the charity's objectives. The reserve policy is regularly assessed by the Trustees for appropriateness.

The Trustees continually review the financial performance and outlook and with the Railway Company's management consider the risks surrounding the Railway's core operating and trading activities. The Trustees are confident that they will continue to attract donations, legacies and grants to support the Railway Company's liabilities. The policy is to accumulate funds adequate to cover expenditure which cannot be accurately predicted, taking reasonable account of the Talyllyn Railway Company's strategic plans for renewal and enhancement, and to review the level of such reserves regularly.

The Railway continues to face a period of uncertainty, with high inflation impacting both our input costs and the cost-of-living for our customers, which in turn could impact on our level of demand. Although it is yet to be seen how these factors will impact the Railway's ability to cover future expenditure, as at 31 January 2024, the Trustees believe that the level of reserves remain adequate to cover future demands which it is reasonable to anticipate.

Free reserves at 31 January 2024 amounted to £1,119,375 (2023: £1,455,776).

d. Principal risks and uncertainties

The Trustees have a comprehensive Risk Register which is regularly reviewed. Each risk is scored and appropriate mitigation and additional actions or controls are identified and enacted. The Trustees are therefore confident that the major financial and non-financial risks faced by the organisation are being suitably managed. The charity's risks are also managed by careful maintenance of its assets, conservative investment of funds in hand and only making grants from those funds. A safeguarding policy is in place.

Structure, governance and management

a.

Talyllyn Holdings Limited was incorporated in 1952 under the Companies Acts as a Company Limited by Guarantee without share capital (Registration number: 511996) and is governed by its Memorandum and Articles of Association which were adopted on 3rd. October 1952 and updated on 8th. December 1973, 24th. February 1996, 31st. August 2001, 31st. May 2019 and 26th. August 2021. It was registered as a charity on 25th. October 2001 with the Charity Commission for England and Wales (Registration number: 1089053). The ultimate controlling organisation is the Talyllyn Railway Preservation Society. The Board met six times during the year and considered the financial position at each meeting.

b. Recruitment and appointment of new Trustees

Trustees are appointed in accordance with the Company's Articles of Association as approved by the Charity Commission. The majority of the Trustees are appointed by and from the Council of the Talyllyn Railway Preservation Society and as such have considerable experience of working with the existing trustees.

c. Induction and training of Trustees

New Trustees are provided with information on their role and responsibilities as a trustee, together with a copy of the Memorandum and Articles of Association and the latest Report and Financial Statements. Trustees are kept up to date as appropriate with developments within the charitable sector.

d. Related parties

Trustees are obliged to disclose any related parties or conflicts of interest and may not take part in any vote at meetings which involves decisions being made in respect of agreements or otherwise with these parties.

e. Key Management Personnel

The charity considers its key management personnel to be the Trustees, the Company Secretary and the Chief Financial Officer. The Trustees and Officers are all volunteers and receive no remuneration from the Company; no Trustee was reimbursed expenses in the year (2023: £Nil). It has no paid employees.

Plans for future periods

A Strategy for the Railway for ten years from 2014 was published in December 2013 and updated in 2016 for the period to 2025. This strategy remains in place and is considered appropriate by the Trustees. It is intended to complete a review of the strategy in the near term.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2024

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' 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. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, BHP LLP were appointed during the year and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The report has been prepared having taken advantage of the small companies exemption in the Companies Act 2006.

Approved by order of the members of the board of Trustees and signed on their behalf by:

D G Ventry
(Chair of Trustees)

Date: 15 August 2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TALYLLYN HOLDINGS LIMITED

We have audited the financial statements of Talyllyn Holdings Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 January 2024, which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated 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 group's and parent charitable company's affairs as at 31 January 2024, and of the group's 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.

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 group and parent 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 group and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the 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.

Other information

The other information comprises the information included in the trustees' 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 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- 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, the trustees (who are also the directors of the parent 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 group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

- 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 group and parent charitable company through discussions with management and trustees, and from our knowledge and experience of this organisation;
- 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 group and parent charitable company, including the Charities Act 2011, the Companies Act 2006, data protection, health and safety legislation and employment law. In addition to this, we specifically reviewed compliance with railway safety standards and ensured the railway continued to hold the necessary certification required to operate the railway;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and trustees; 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 of the group and parent charitable company.

We assessed the susceptibility of the group and parent charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- making enquiries of management and trustees 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 risks of fraud through management bias and override controls, we:

- performed analytical procedures to identify any unusual or unexpected variances;
- tested journal entries to identify unusual transactions;
- assessed whether judgments and assumptions made in determining the accounting estimates set out in note 3 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.

A further description of our responsibilities is available on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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. 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.

Laura Masheder (Senior statutory auditor)

for and on behalf of

BHP LLP

Chartered Accountants
Statutory Auditor
Rievaulx House
1 St Mary's Court
Blossom Street
York
YO24 1AH

16 August 2024

TALYLLYN HOLDINGS LIMITED

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

FOR THE YEAR ENDED 31 JANUARY 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donations and legacies	4	288,948	138,850	427,798	880,457
Charitable activities	5	756,094	-	756,094	721,779
Other trading activities	6	698,539	-	698,539	617,888
Investments	7	14,223	-	14,223	963
Other income	8	8,574	-	8,574	12,799
Total income		1,766,378	138,850	1,905,228	2,233,886
Expenditure on:					
Raising funds	9	563,619	-	563,619	536,357
Charitable activities	10	1,232,776	110,062	1,342,838	1,186,305
Total expenditure		1,796,395	110,062	1,906,457	1,722,662
Net (expenditure)/income		(30,017)	28,788	(1,229)	511,224
Transfers between funds	21	1,054,702	(1,054,702)	-	-
Net movement in funds		1,024,685	(1,025,914)	(1,229)	511,224
Reconciliation of funds:					
Total funds brought forward		2,704,372	1,070,281	3,774,653	3,263,429
Net movement in funds		1,024,685	(1,025,914)	(1,229)	511,224
Total funds carried forward	21	3,729,057	44,367	3,773,424	3,774,653

The Statement of Financial Activities complies with the requirements for an income and expenditure account under the Companies Act 2006 and includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 19 to 43 form part of these financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 JANUARY 2024

	Note	2024 £	As restated 2023 £
Fixed assets			
Tangible assets	14	1,969,593	1,984,959
Heritage assets	15	640,089	363,463
		<hr/>	<hr/>
		2,609,682	2,348,422
Current assets			
Stocks	17	163,470	105,355
Debtors	18	149,376	150,315
Cash at bank and in hand		1,082,542	1,357,515
		<hr/>	<hr/>
		1,395,388	1,613,185
Creditors: amounts falling due within one year	19	(231,646)	(186,954)
		<hr/>	<hr/>
Net current assets		1,163,742	1,426,231
Total assets less current liabilities		<hr/>	<hr/>
		3,773,424	3,774,653
Total net assets		<hr/>	<hr/>
		3,773,424	3,774,653

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 JANUARY 2024

	Note	2024 £	As restated 2023 £
Charity funds			
Restricted funds	21	44,367	1,070,281
Unrestricted funds			
Designated funds	21	2,609,682	54,004
General funds	21	1,119,375	2,650,368
Total unrestricted funds	21	3,729,057	2,704,372
Total funds		3,773,424	3,774,653

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

D G Ventry
(Chair of Trustees)
Date: 15 August 2024

The notes on pages 19 to 43 form part of these financial statements.

COMPANY BALANCE SHEET
AS AT 31 JANUARY 2024

	Note	2024 £	As restated 2023 £
Fixed assets			
Tangible assets	14	463,946	472,189
		463,946	472,189
Current assets			
Debtors	18	145,672	70,520
Cash at bank and in hand		957,420	1,044,167
		1,103,092	1,114,687
Creditors: amounts falling due within one year	19	(21,265)	(14,382)
Net current assets		1,081,827	1,100,305
Total assets less current liabilities		1,545,773	1,572,494
Total net assets		1,545,773	1,572,494
Charity funds			
Restricted funds	21	24,456	38,174
Unrestricted funds	21	1,521,317	1,534,320
Total funds		1,545,773	1,572,494

The Company's net movement in funds for the year was £(26,721) (2023 - £237,651).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

D G Ventry
(Chair of Trustees)
Date: 15 August 2024

The notes on pages 19 to 43 form part of these financial statements.

TALYLLYN HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2024

	Note	2024 £	As restated 2023 £
Cash flows from operating activities			
Net cash used in operating activities	24	52,587	584,650
		<hr/>	<hr/>
Cash flows from investing activities			
Investment income		14,223	963
Purchase of tangible fixed assets		(312,002)	(406,421)
Purchase of heritage assets		(29,781)	-
		<hr/>	<hr/>
Net cash used in investing activities		(327,560)	(405,458)
		<hr/>	<hr/>
Cash flows from financing activities			
		<hr/>	<hr/>
Net cash provided by financing activities		-	-
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(274,973)	179,192
Cash and cash equivalents at the beginning of the year		1,357,515	1,178,323
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	25	1,082,542	1,357,515
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 19 to 43 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024

1. General information

The charity is limited by guarantee, incorporated in the United Kingdom, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £5 towards the assets of the charity in the event of liquidation.

The address of its registered office is: Wharf Station, Tywyn, Gwynedd, LL36 9EY.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements. The charity's own results for the year is disclosed on the charity balance sheet.

2.2 Going concern

The financial performance of the operating subsidiary, Talyllyn Railway Company, continues to be a concern with record levels of deficit, even though the 2023 year saw an improvement over 2022. As outlined in the Financial Review this challenge is unlikely to dissipate.

The Trustees as a consequence understand there is a strong need to hold good levels of free reserves so that they are in a position to support the operating activities over and above the excellent continued support of our Society members and donors. Cash reserves remain high, and very careful consideration is being given to any projects that might reduce that.

As a consequence, the trustees have confidence that the charity remains a going concern for the foreseeable future.

2. Accounting policies (continued)

2.3 Income

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

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Company, can be reliably measured.

Grants are included in the Consolidated Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Support costs and governance costs have been differentiated from other costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees. Governance costs and support costs relating to charitable activities have been apportioned appropriately. The allocation of support and governance costs is analysed in the notes.

2. Accounting policies (continued)

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Buildings	- Over 50 years
Plant, machinery, fixtures and fittings	- Over 10 years
Commercial operations, office and IT	- Over 5 years
Permanent way and infrastructure	- Over 40 years
Locomotives	- Over 20 years
Rolling stock	- Over 40 years

Assets under the course of construction are not depreciated until they are brought into use.

The land occupied for the operation of the Railway is a right-of-way unique to The Talylyn Railway Company as determined by the 1865 Act of Parliament authorising the construction of the railway, and as such does not constitute a saleable item. Therefore, in the opinion of the Trustees it is fairly represented at nil value in the financial statements.

2.7 Heritage assets

Where heritage assets have been purchased, they are initially recognised at cost. After recognition, under the cost model, heritage assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

The items included within heritage assets relate to the Talylyn Railway and were acquired by the charity in accordance with its aim to preserve and maintain the railway.

2. Accounting policies (continued)

2.8 Stocks

Stocks consist of goods to be sold in the shop and cafe as well as engineering and consumable items for use on the railway and are valued at the lower of cost and net realisable value.

At each reporting date, stocks are assessed for impairment. If stocks are impaired, the impairment loss is recognised immediately in the statement of financial activities.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Liabilities and provisions

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 Company 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.

2.12 Tax

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

2.13 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.14 Employee benefits

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

2.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

Specifically, material judgements and estimates are required in determining the useful economic life of tangible and heritage assets and any potential stock provisions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024

4. Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Donations	110,389	23,362	133,751	114,867
Legacies	152,526	-	152,526	354,177
Grants	-	115,488	115,488	392,681
Tax recoverable	26,033	-	26,033	18,732
	<u>288,948</u>	<u>138,850</u>	<u>427,798</u>	<u>880,457</u>
Total 2023	<u>648,184</u>	<u>232,273</u>	<u>880,457</u>	

5. Income from charitable activities

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Railway operations	756,094	756,094	721,779
Total 2023	<u>721,779</u>	<u>721,779</u>	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Shop income	186,110	186,110	175,162
Catering income	512,429	512,429	442,726
	<u>698,539</u>	<u>698,539</u>	<u>617,888</u>
Total 2023	<u>617,888</u>	<u>617,888</u>	

7. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Interest receivable on bank deposits	14,223	14,223	963
	<u>963</u>	<u>963</u>	
Total 2023	<u>963</u>	<u>963</u>	

8. Other income

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Other income	8,574	8,574	12,799
	<u>12,799</u>	<u>12,799</u>	
Total 2023	<u>12,799</u>	<u>12,799</u>	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024

9. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Cost of goods sold	295,472	295,472	276,515
Support costs	28,907	28,907	22,044
Staff costs	239,240	239,240	237,798
	<u>563,619</u>	<u>563,619</u>	<u>536,357</u>
Total 2023	<u>536,357</u>	<u>536,357</u>	

	2024 £	2023 £
<i>Fundraising support costs</i>		
Printing and stationery	-	6
Bank and credit card charges	12,464	5,927
Cleaning and first aid	2,005	1,543
Consumables and disposables	9,320	9,515
Miscellaneous	1,879	2,294
Repairs and renewals	3,239	2,759
	<u>28,907</u>	<u>22,044</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Total 2023 £
Railway operating costs	296,094	28,383	324,477	216,445
Support costs	330,708	42,726	373,434	362,787
Staff costs	584,910	38,953	623,863	593,157
Governance	21,064	-	21,064	13,916
	<u>1,232,776</u>	<u>110,062</u>	<u>1,342,838</u>	<u>1,186,305</u>
Total 2023	<u>1,186,305</u>	<u>-</u>	<u>1,186,305</u>	

Analysis of expenditure by activities

	Direct costs 2024 £	Support costs 2024 £	Total funds 2024 £	Total funds 2023 £
Railway operating costs	324,477	-	324,477	216,445
Support costs	-	373,434	373,434	362,787
Staff costs	623,863	-	623,863	593,157
Governance	21,064	-	21,064	13,916
	<u>969,404</u>	<u>373,434</u>	<u>1,342,838</u>	<u>1,186,305</u>
Total 2023	<u>823,518</u>	<u>362,787</u>	<u>1,186,305</u>	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024

Analysis of expenditure by activities (continued)**Analysis of support costs**

	Total funds 2024 £	Total funds 2023 £
Depreciation	96,023	89,556
Rent, rates and insurance	23,886	27,803
Electricity, water and gas	63,073	52,397
Printing and stationery	5,842	7,810
Advertising and publicity	31,017	33,917
Postage and telephone	3,623	8,612
Bank and credit card charges	26,510	20,922
Cleaning and first aid	13,747	16,448
Accountancy software and systems	23,500	22,300
Legal and professional fees	10,521	6,313
HR consultancy	790	660
HRA subscription and meeting expenses	4,914	2,570
Grants payable	1,527	2,250
Messroom supplies and free staff/volunteer drinks	6,849	4,804
Refuse collection and disposal	10,835	10,429
Premises licences	271	250
Security and alarm	6,978	4,900
Consumables and disposables	14,310	13,735
Computer expenses	24,778	22,588
Miscellaneous	1,201	11,764
Repairs and renewals	3,239	2,759
	373,434	362,787

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024

11. Auditors' remuneration

	2024 £	2023 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	18,500	13,916
Fees payable to the Company's auditor in respect of: All non-audit services not included above	<u>2,500</u>	<u>-</u>

12. Staff costs

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Wages and salaries	741,692	716,519	804	1,906
Social security costs	50,561	48,743	-	-
Contribution to defined contribution pension schemes	33,231	32,334	-	-
	<u>825,484</u>	<u>797,596</u>	<u>804</u>	<u>1,906</u>
Other staff costs	37,619	33,359	-	-
	<u>863,103</u>	<u>830,955</u>	<u>804</u>	<u>1,906</u>

The average number of persons employed by the Company during the year was as follows:

	Group 2024 No.	Group 2023 No.
Catering	18	20
Engineering	13	10
Shop	1	1
Railway operations and administration	7	11
Museum	2	2
	<u>41</u>	<u>44</u>

It should be noted that the average number of employees includes all employees regardless of hours worked and is not stated on a full time equivalent basis. The numbers are therefore highly distorted by seasonal staff working short hours.

12. Staff costs (continued)

No employee received remuneration amounting to more than £60,000 in either year.

The charity considers its key management personnel to be the Trustees, the Company Secretary and the Chief Financial Officer. The Trustees and Officers are all volunteers and receive no remuneration from the Company or Group.

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 January 2024, no Trustee expenses have been incurred (2023 - £NIL).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024

14. Tangible fixed assets

Group

	Buildings £	Plant and machinery £	Motor vehicles £	Commercial operations, office and IT £	As restated Assets under construction £	Total £
Cost or valuation						
At 1 February 2023 (as previously stated)	2,024,507	188,521	24,245	83,881	-	2,321,154
Prior Year Adjustment	-	-	-	-	393,381	393,381
At 1 February 2023 (as restated)	2,024,507	188,521	24,245	83,881	393,381	2,714,535
Additions	31,200	-	-	1,352	294,950	327,502
Transfers between classes	-	-	-	-	(264,071)	(264,071)
At 31 January 2024	2,055,707	188,521	24,245	85,233	424,260	2,777,966
Depreciation						
At 1 February 2023	611,584	71,590	10,261	36,141	-	729,576
Charge for the year	39,761	18,852	4,849	15,335	-	78,797
At 31 January 2024	651,345	90,442	15,110	51,476	-	808,373
Net book value						
At 31 January 2024	1,404,362	98,079	9,135	33,757	424,260	1,969,593
At 31 January 2023 (as restated)	1,412,923	116,931	13,984	47,740	393,381	1,984,959

Land with a value of £95,058 (2023: £95,058) is included in Buildings and not depreciated.

Assets under the course of construction totalling £264,071 have been transferred out into heritage assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024

14. Tangible fixed assets (continued)

Company

	Buildings £
Cost or valuation	
At 1 February 2023	507,196
At 31 January 2024	<u>507,196</u>
Depreciation	
At 1 February 2023	35,007
Charge for the year	8,243
At 31 January 2024	<u>43,250</u>
Net book value	
At 31 January 2024	<u><u>463,946</u></u>
At 31 January 2023	<u><u>472,189</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024

15. Heritage assets

Group

Assets recognised at cost

	Permanent way and infrastructure 2024 £	Locomotives and rolling stock 2024 £	Total 2024 £
Carrying value at 1 February 2023	155,047	208,416	363,463
Additions	29,781	-	29,781
Transfer between classes	-	264,071	264,071
Depreciation	(4,729)	(12,497)	(17,226)
	180,099	459,990	640,089
	180,099	459,990	640,089

Analysis of heritage asset transactions

Group

	2024 £	2023 £	2022 £	2021 £	2020 £
Purchases					
Assets purchased	29,781	-	-	38,042	7,798
Additions transferred from tangible fixed assets	264,071	-	-	-	-
Total additions	293,852	-	-	38,042	7,798
Charge for depreciation					
Assets purchased	17,226	16,490	15,856	15,540	15,094
Total charge for depreciation	17,226	16,490	15,856	15,540	15,094

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024

16. Fixed asset investments

The following was a subsidiary undertaking of the Company:

Name	Company number	Class of shares	Holding	Included in consolidation
The Talyllyn Railway Company	ZC000204	Ordinary	100%	Yes

The subsidiary's principal purpose is the running and maintenance of the Talyllyn Railway on behalf of the charity.

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss)/ Surplus/ (Deficit) for the year £	Net assets £
The Talyllyn Railway Company	1,678,621	(1,846,027)	(167,406)	528,445

17. Stocks

	Group 2024 £	Group As restated 2023 £
Fuel and consumables	58,240	2,544
Maintenance	59,521	55,581
Goods for resale	45,709	47,230
	163,470	105,355

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024

18. Debtors

	Group 2024 £	Group As restated 2023 £	Company 2024 £	Company As restated 2023 £
<i>Due within one year</i>				
Trade debtors	300	146	-	-
Amounts owed by group undertakings	-	-	105,122	-
Amounts owed by participating interests	6,296	42,881	6,326	36,493
Other debtors	47,270	29,235	-	-
Prepayments and accrued income	95,510	78,053	34,224	34,027
	149,376	150,315	145,672	70,520

19. Creditors: Amounts falling due within one year

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Trade creditors	143,187	115,470	-	-
Amounts owed to group undertakings	-	-	-	632
Other taxation and social security	12,861	11,649	265	-
Other creditors	10,054	10,083	-	-
Accruals and deferred income	65,544	49,752	21,000	13,750
	231,646	186,954	21,265	14,382

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024

	Group 2024	Group 2023
	£	£
Deferred income at 1 February 2023	16,859	19,479
Resources deferred during the year	-	6,959
Amounts released from previous periods	(3,042)	(9,579)
	13,817	16,859

Deferred income relates to ticket sales bought in advance of events occurring or for use in future years.

20. Prior year adjustments

A prior year adjustment has been recognised to correctly present fixed assets under construction totalling £393,381. The impact was to reduce stock and debtors by £393,381 and to increase fixed assets. There was no impact to the net assets at 31 January 2023 and there was no impact to the net assets of consolidated statement of financial activities for the year to 31 January 2023.

A prior year adjustment has been recognised to move accrued legacy income incorrectly recognised in the subsidiary company and into the parent charity. The impact to the company balance sheet as at 31 January 2023 was to increase general funds by £33,972 and increase debtors by £33,972. There was no impact to the consolidated balance sheet as at 31 January 2023, and no impact to the consolidated statement of financial activities for the year to 31 January 2023.

The comparative consolidated statement of cash flows has been amended to reflect the adjustments noted above.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024

21. Statement of funds

Statement of funds - current year

	Balance at 1 February 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 January 2024 £
Unrestricted funds					
Designated funds					
Designated funds - Fixed assets	54,004	-	-	2,555,678	2,609,682
General funds					
General funds	2,650,368	1,766,378	(1,796,395)	(1,500,976)	1,119,375
Total Unrestricted funds	2,704,372	1,766,378	(1,796,395)	1,054,702	3,729,057
Restricted funds					
Wharf building	940,734	-	(30,347)	(910,387)	-
Loco no. 3 'Sir Haydn'	68,317	-	(7,976)	(60,341)	-
Corris Coach	36,774	-	(952)	(35,822)	-
Open Carriages appeal	-	1,924	(1,924)	-	-
2019 AGM carriage heating appeal	2,585	-	-	-	2,585
Carbon offset donations	1,686	212	-	-	1,898
Graham Guilford fund	20,185	20	(1,527)	-	18,678
2023 AGM fall arrest system	-	4,325	-	-	4,325
Winding House project	-	14,050	-	-	14,050
75 appeal	-	2,831	-	-	2,831
Three New Bogie Coaches	-	82,292	-	(82,292)	-
Preserving Our Past, Building Our Future	-	33,196	(67,336)	34,140	-
	1,070,281	138,850	(110,062)	(1,054,702)	44,367
Total of funds	3,774,653	1,905,228	(1,906,457)	-	3,773,424

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024

21. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 February 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 January 2023 £
Unrestricted funds					
Designated funds					
Designated funds - Fixed assets	54,004	-	-	-	54,004
General funds					
General funds	2,086,153	1,972,086	(1,382,906)	(24,965)	2,650,368
Total Unrestricted funds	2,140,157	1,972,086	(1,382,906)	(24,965)	2,704,372
Restricted funds					
Wharf building	971,080	-	(30,346)	-	940,734
Loco no. 3 'Sir Haydn'	76,293	-	(7,976)	-	68,317
Corris Coach	37,725	-	(951)	-	36,774
Open Carriages appeal	-	60	(3,231)	3,171	-
2019 AGM carriage heating appeal	2,585	-	-	-	2,585
Carbon offset donations	1,271	415	-	-	1,686
Graham Guilford fund	21,653	782	(2,250)	-	20,185
Other small funds	1,787	-	(1,349)	(438)	-
Ty Dwr Appeal	4,579	2,414	(6,993)	-	-
2020 AGM Loco Injectors Appeal	5,713	-	(7,000)	1,287	-
2021 AGM Corris Van Appeal	586	1,533	(10,325)	8,206	-
Defibrillators	-	2,325	(3,307)	982	-
Robel Rail Movers	-	1,900	(8,586)	6,686	-
Carriage Door Locks	-	5,163	(10,234)	5,071	-
	1,123,272	14,592	(92,548)	24,965	1,070,281
Total of funds	3,263,429	1,986,678	(1,475,454)	-	3,774,653

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024

21. Statement of funds (continued)

During the year and designated fund has been created which represents the net book value of tangible fixed assets held by the charity. £1,088,842 has been transferred in from restricted funds, as disclosed below, and the balance has been transferred in from unrestricted funds.

The fund for the Wharf Building made possible the construction of a large building accommodating the Narrow Gauge railway Museum, Shop and Catering operations and offices, completed in 2005.

The fund for Loco No.3 "Sir Haydn" contributed to the comprehensive rebuild and refurbishment of this historic locomotive which was completed in 2018.

The fund for the Corris Coach facilitated the extensive refurbishment of the Corris Coach completed in 2021.

The Graham Guilford Fund was created through a legacy from the late Graham Guilford to benefit young volunteers. It is now used and administered to provide grants to young people in order that they may spend time volunteering on the railway which might otherwise not be financially possible. It is boosted by new donations from time to time.

The Winding House Project is a plan to restore, display and interpret the old winding house drum from the village incline east of Abergynolwyn. It will be entirely funded through donations.

Three New Bogie Coaches are being constructed at the Ffestiniog Railways Boston Lodge works, a project in excess of £550,000. £300,000 of this funding is from a grant from the Welsh Coastal Communities Fund, all of which was received at the year end. The balance is made up from designated funds from the Company's free reserves. At the year end the first of these coaches, number 24, had entered service.

The Preserving Our Past, Building Our Future project is a plan to invest in various infrastructure projects, including the engineering works and volunteer accommodation, to secure the railways future and to improve the access and interpretation of the railway's heritage. The National Lottery Heritage Fund has provided up to £110,000 against the expected cost of the project development phase of £223,125. The 75 Appeal is the related fundraising for the project.

The remaining balances on the Wharf Building, Loco no. 3, Corris coach and Three New Bogie Coaches totalling £1,088,842 have been transferred out in the year as these relate to fixed assets used by the group where there is no ongoing restriction in use, the balance has been transferred into the designated fixed asset fund.

The transfer into the Preserving Our Past, Building Our Future of £34,140 represents the element funded by the Charity, as part of the project cost and has come from unrestricted funds and part was funded.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024

22. Summary of funds

Summary of funds - current year

	Balance at 1 February 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 January 2024 £
Designated funds	54,004	-	-	2,555,678	2,609,682
General funds	2,650,368	1,766,378	(1,796,395)	(1,500,976)	1,119,375
Restricted funds	1,070,281	138,850	(110,062)	(1,054,702)	44,367
	3,774,653	1,905,228	(1,906,457)	-	3,773,424

Summary of funds - prior year

	Balance at 1 February 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 January 2023 £
Designated funds	54,004	-	-	-	54,004
General funds	2,086,153	1,972,086	(1,382,906)	(24,965)	2,650,368
Restricted funds	1,123,272	14,592	(92,548)	24,965	1,070,281
	3,263,429	1,986,678	(1,475,454)	-	3,774,653

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	1,969,593	-	1,969,593
Heritage assets	640,089	-	640,089
Current assets	1,351,021	44,367	1,395,388
Creditors due within one year	(231,646)	-	(231,646)
Total	3,729,057	44,367	3,773,424

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024

23. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	885,133	1,099,826	1,984,959
Heritage assets	363,463	-	363,463
Current assets	1,642,730	(29,545)	1,613,185
Creditors due within one year	(186,954)	-	(186,954)
Total	2,704,372	1,070,281	3,774,653

24. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2024 £	Group As restated 2023 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(1,229)	511,224
Adjustments for:		
Depreciation charges	96,023	89,555
Investment income	(14,223)	(963)
Increase in stocks	(58,115)	(29,185)
Decrease/(increase) in debtors	939	(72,321)
Increase in creditors	29,192	86,340
Net cash provided by operating activities	52,587	584,650

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024

25. Analysis of cash and cash equivalents

	Group 2024 £	Group 2023 £
Cash in hand	1,082,542	1,357,515
Total cash and cash equivalents	1,082,542	1,357,515

26. Analysis of changes in net debt

	At 1 February 2023 £	Cash flows £	At 31 January 2024 £
Cash at bank and in hand	1,357,515	(274,973)	1,082,542
	1,357,515	(274,973)	1,082,542

There is no debt in the current or previous year.

27. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £3,918 (2023 - £8,782) were payable to the fund at the balance sheet date and are included in creditors.

28. Related party transactions

During the previous year the group received a donation from The Talyllyn Railway Preservation Society of £175,000. No donation was received in this financial year.

At the balance sheet date, amounts due from The Talyllyn Railway Preservation Society was £6,296 (2023: £42,881).

Amounts of £43,063 (2023: £23,662) was remunerated to the close family members of one of the Trustees, in their capacity as employees on the Railway. No amount was outstanding as at year end

TALYLLYN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2024

29. Controlling party

Talylyn Holdings Limited is controlled by the right of appointment of the majority of directors by the Talylyn Railway Preservation Society.

In the opinion of the trustees there is no ultimate controlling party of the charity.

TALYLLYN HOLDINGS LIMITED

England & Wales - Charity number 1089053

Accounts

Company registration number: 00511996

Charity registration number: 1089053

Tallylyn Holdings Limited

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 January 2023

Talylyn Holdings Limited

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Talylyn Holdings Limited

Reference and Administrative Details

Chairman	D G Ventry
Trustees	K F M Hayes R G W Jones E J Mann D H W Poulson C K Theobald D G Ventry
Secretary	A J Simner
Registered Office	Wharf Station Tywyn Gwynedd LL36 9EY
Company Registration Number	00511996
Charity Registration Number	1089053
Auditor	McBrides Accountants LLP Nexus House Cray Road Sidcup Kent DA14 5DA

Talyllyn Holdings Limited

Trustees' Report

INTRODUCTION

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 January 2023. The consolidated financial statements comply with current statutory requirements, the Memorandum and Articles of Association and 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)).

PRINCIPAL ACTIVITY

The Objects of the Company include the preservation of the historic structures and equipment of the Talyllyn Railway and the promotion of public knowledge of and access to them. To this end it is the beneficial owner of all the shares in the Talyllyn Railway Company and the owner or lessee of various assets peripheral to that ownership. The principal activity of the subsidiary is that of operating and maintaining the Talyllyn Railway.

The strategies employed to achieve these objectives are to:

- retain the beneficial ownership of all the shares in the Talyllyn Railway Company;
- control the Railway Company by the election of its Directors in accordance with established custom;
- raise money from individuals and organisations;
- make grants in accordance with its Objects;
- encourage volunteers on the Railway, in particular by the provision of accommodation;
- make loans to the Railway Company when required by exceptional circumstances.

ACHIEVEMENTS AND ACTIVITIES

The Group started the year in a strong financial position with a healthy cash reserve, as we were anticipating a heavy demand for funds as the year progressed. Grants for Ty Dwr, the ex-Corris van, a standard gauge wagon, the new carriages and Wharf Shed were all approved. Planning for the development of Pendre on the former Orchard site continued.

The Company also agreed the purchase of new sleepers and rails, whilst Holdings made grants for a shed for plant equipment at Wharf, the purchase of a new bogie hopper ballast wagon and agreed to fit solar panels to the West Carriage Shed.

In common with other heritage steam railways, the availability of coal was a key focus during the year. Ffos-y-Fran, the only source of Welsh steam coal, struggled through its last year of operation, which meant at times the Company was unable to obtain a supply of suitable coal. We instead experimented with various types of ovoids (manufactured fuel), which achieved varying results. Our experiences were fed back to the HRA as part of their information gathering process on the suitability of alternative fuels. A trial with rapeseed waste met with little success, and the large amount of smoke given off caused unfavourable comments.

The availability of sufficient volunteers was a challenge at certain points during the year and ways to recruit new volunteers and aid the retention of existing volunteers was further discussed. In an effort to help volunteers to be able to volunteer for longer periods of time, the Railway offered free accommodation in both Llechfan and Angorfa for part of the year. There was a good take-up of this, and the feedback was very positive.

We would like to thank everyone for supporting the Railway throughout 2022; not only those members that have volunteered in many ways, both in operational roles and behind the scenes, but also our staff and the membership who continue to support our Railway. We very much appreciate the generosity of members, both in donations and legacies. We can look forward with optimism for 2023 and meet the challenges that another year will undoubtedly bring.

Talylyn Holdings Limited

Trustees' Report

Traffic and Operating

The year ending 31st. January, 2023 saw 80,706 passenger journeys, an increase of 5.5% on the previous year. For comparison, the total for 2019-20, the last pre-Covid-19 year, was 94,811. Public bookings were 35,036 (2021-22: 34,699; 2019-20: 40,443).

The resurgence of Covid-19 at the end of 2021 proved comparatively brief and the February half-term service ran successfully. All Welsh legal restrictions were abolished at the end of March and the proportion of passengers booking whole compartments in advance gradually reduced. All the inter-compartment screens were finally removed after the post-Christmas service. Although the reason for Guards locking carriage doors, to preserve social distancing when passengers were alighting, had ceased, it was decided to continue the practice as it reduced the number coming open improperly. This prompted occasional public complaints and caused some delays. It was therefore decided that equipping all the non-historic carriages with door handles of the design now fitted on the ex-Glyn Valley Tramway vehicles would achieve almost all the safety benefits without the problems. The cost increased substantially from the initial estimate but an order was placed towards the end of the year.

Train running was largely uneventful but on one day the service was reduced owing to hot weather problems, on another, one down train was seriously delayed when a simulated failure of the diesel locomotive hauling a training train became real and on a third, one train was curtailed because of a branch across the track.

A first departure from Tywyn Wharf at 1000 ran throughout the season. The correspondingly early starts for operating staff were unpopular, especially with locomotive crews and, as no more passengers were attracted, reversion to 1030, except for the peak service, was agreed for 2023.

Numerous driver experience trains ran, still catching up on those postponed due to the pandemic, but it was necessary to cancel pre-booked paid footplate trips. Race the Train returned on its usual mid-August Saturday. Santa Specials went well and the normal post-Christmas service ran.

We had a number of successful events that have raised our profile during the year. The Queen's Baton relay was superb and brought the whole community together. The Awdry Extravaganza was in its second year and revenue as a whole for these two days increased from £29k in 2021 to £43k in 2022. We also received a lot of positive feedback about the event.

Shop and Catering

The Shop and Catering activities of the Talylyn Railway Company are important in generating a surplus to further the charitable objectives of Talylyn Holdings. As a whole, Catering performed well during the year, however the relentless price increases meant we had to frequently raise our prices to stay afloat. We also had strong competition following the opening of three new cafés on the High Street. On a positive note, we saw a significant increase in charter trains, special events and weddings. Revenue generated by the beer festivals was exceptional and the Halloween and the Festive Period was a great success.

We had new staff start which meant a short-term doubling up whilst they were being trained. We also had to cover periods of sickness with Covid being the main culprit for absence. Both of these factors resulted in an increase in staff costs.

All things considered, we finished ahead of 2019 with revenue but were well over our staff budget. Looking ahead to 2023, we will implement a change to the staffing structure and with a stable and trained workforce we should see a return to budget.

Talylyn Holdings Limited

Trustees' Report

The Shop performed steadily throughout the year and we were grateful for volunteer support. The shop offering is carefully considered, particularly merchandising, however as is expected the calendar and Christmas Cards were very successful.

Engineering

The Company's Object of the preservation, restoration, maintenance and protection of the structures, rolling stock, plant, equipment and artefacts of the Talylyn Railway is largely an engineering activity carried out by the Talylyn Railway Company with the aid of grants from the Company.

Throughout the year, loco No. 1 Talylyn was undergoing overhaul with its boiler being worked on at the Watercress Line. No. 2 Dolgoch was fully overhauled during the year, repainted into the traditional green livery and entered service in early 2023. No. 3 Sir Haydn, No. 6 Douglas and No. 7 Tom Rolt all received boiler inspections during the year, with Sir Haydn having repairs to its trailing truck bearing and Douglas requiring replacement axle bearings. Ten new injectors were produced and the Corris air pump was rebuilt. The Railway purchased two BEV electric locomotives, currently in storage at Patrick Keef's. The tamper engine was repaired and a driving trolley was built.

Carriage No. 4 underwent repairs at the Vale of Rheidol and the work on the new open continued in the paintshop. Other carriages went through the Works for maintenance. Four heritage wagons were repainted and received repairs for corrosion as required. The tipper wagon frame was made, painted and the wagon re-assembled. The TR Boadicea brake van bogies were overhauled and the body rebuilt with substantial repairs required for corrosion. Following a full repaint the brake van received a defibrillator and entered service with the track gang. The ex-Corris brake van is due to be returned soon and a new brake van was received from Statfold Barn Railway to replace it.

Work continued at Pendre itself, with the walkway at the blockpost replaced with galvanised flowforge grating, loco shed pits built and installed and roof repairs on the loco shed undertaken. Solar panels were also installed on the roof of the West Carriage Shed. Updated COSHH assessments were produced and made available in appropriate places around Pendre, and HOPs integration into daily life continued. Fire evacuation plans and training was rolled out across Pendre.

Health & Safety

The increased train service and greater activity since the pandemic resulted in an increase in the numbers of accidents (injuries) and incidents compared to last year. The number of accidents was still significantly lower than in 2019. The majority of incidents were near misses, and these have been used at relevant seminars and meetings to reinforce the safety message. There were no reportable incidents.

Further good progress has been made in reviewing and re-formatting the SMS supporting documents. The Company Risk Register has been completely re-written and is now very comprehensive. It will be subject to regular review by the Board.

A review of Engineering staff competency and training was carried out, and a programme of training in the operation of plant and machinery was put in place.

A Tree Survey was carried out for us by a consultant. This inevitably identified and prioritised a large number affected by Ash Dieback. A programme to remove potentially hazardous trees is in place and there will be some selective re-planting. An asbestos survey of Pendre has been done and there is now an up-to-date register for the entire Railway.

Dolgoch Viaduct was inspected by a specialist rope access contractor. They will be providing a report but found no significant defects. They have replaced thirty bricks in the ends of the West pier in areas known to require attention.

Talylyn Holdings Limited

Trustees' Report

The Defibrillators bought from the appeal have arrived and are ready to be installed in the Guard's Vans. Training for the use of these will be scheduled throughout the year and open to all.

Heritage

Our increased emphasis on heritage continued to pay dividends with the reconstructed watering point at Tŷ Dŵr generating enormous publicity for the Railway. Since the end of the year, it also won two national awards, the first was the National Railway Heritage Hendy and Pendle Trust Volunteers Award, which was unveiled at Abergynolwyn as part of this year's Founders' Day event. The second was the Heritage Railway Association/Steam Railway Magazine award presented at their awards dinner in March.

Meanwhile work on our other projects continued. At Stanegate Restorations work on the standard gauge wagon for the transhipment display at Wharf progressed, along with work on the ex-Corris Van No. 6. We look forward to seeing both of them at Wharf soon. Further work has also been carried out on the incline display at Nant Gwernol.

Another project is the restoration of the original locomotive No. 5 built by David Curwen in 1952. The surviving chassis parts for this have been transferred to the premises of a Talylyn member in Lincolnshire, and an initial assessment of what might be feasible is being undertaken.

Meanwhile work has also started on repairing the winding drum at the site of the village winding house, and it is planned to remount this on some slate columns so it can be retimbered.

Fundraising

We were awarded grant funding for the development of our major redevelopment at Pendre and Wharf from the National Lottery Heritage Fund. This will enable us to develop a full bid for a significant proportion of the total cost of the project next year. It has been a long road to get this far but we hope that we will be successful in delivering this project.

Members were once again very generous in their support of our various appeals raising over £15,000 for portable defibrillators, new door locks and rail movers. We are currently planning a major appeal to be called 'The 75 Appeal' to support our major redevelopment plans. This will be launched in the coming months.

The Heart of Gold group of regular donors continued to make a substantial contribution to our funds. Last year members of this Group donated nearly £50,000 plus Gift Aid to the Railway. The fact that this is regular income also aids our financial planning and confidence in committing to long term plans.

Legacies continued to contribute to our resources, although we have been reminded recently of the complications that can arise when people do not make sure their wishes can be fulfilled by making a will. However, we do thank everyone who has made provision for the Railway over the years.

KEY PERFORMANCE INDICATORS

The Company is committed to self-evaluation, measuring the organization both internally and externally. Financial information is presented to the Trustees at every meeting.

Talyllyn Holdings Limited

Trustees' Report

PUBLIC BENEFIT

The Trustees have referred to the Charity Commission's guidance on public benefit when reviewing the Company's aims and objects and in planning future activities of the group. We consider that the group carries out its charitable activities for the benefit of the general public.

The Company makes grants primarily to ensure the survival of the Talyllyn Railway which was the earliest narrow-gauge railway constructed with the use of steam haulage and the carriage of passengers envisaged from the outset. The Company also makes grants to individuals who volunteer on the Railway and benefit educationally from the experience and undertakes some direct educational work. Through the Talyllyn Railway Company it provides employment in the area, including that of three apprentices learning valuable skills, and aims to reach out to the local community, for example by participating in local events and providing work experience for schools and colleges. Research in North Wales and elsewhere shows that heritage railways provide significant economic advantages to their local areas.

FINANCIAL REVIEW

There is now no doubt that the financial picture for heritage railways has changed dramatically since the Covid-19 pandemic, and the Talyllyn is no exception. Whilst we do not have the huge numbers of the larger standard gauge lines to manage, the operating results for the year to January 2023 are no less pleasant.

We are facing significant increases in costs across the board, and no ready means of increasing net income to offset it. It seems the financial model that has served us well for many years no longer works as it once did. Visitors will only stand fares being so high especially when comparing to other "attractions" and the volume of visitors to the area is undoubtedly at best quite static. The "cost of living crisis" is also no doubt playing its part. This compares to a cost base that is growing significantly due to inflationary pressures, compliance, lack of suitable volunteer resource, and local competition forcing up payroll costs.

Balancing the TR books has for a long time been about the Railway Company operating deficit being covered by a grant from the Talyllyn Railway Preservation Society, and support from the parent company on larger ticket items. As can be seen with a Railway Company deficit at £230,902 (the largest ever recorded) a lot of support from other sources will be needed. Whilst the budget for the 2023/24 year seeks to reduce the deficit it will undoubtedly still be substantial, and it is difficult now to see how that will change in future years.

In the year the Society made an exceptionally large grant to the Railway Company of £175,000. This was only made possible as there has been no or reduced grants through the pandemic period as the group was so successful in gaining other Covid related grant income and a business interruption insurance claim. As a result, the Society had built up funds which were transferred to support the Railway Company.

The commercial operations of shop and catering continue to make a very valuable contribution. Whilst catering had a challenging year for a variety of reasons, it is pleasing to note that the 2023/24 year has so far seen a return to the performance seen in recent years.

The cash reserves in Talyllyn Holdings continue to grow through a number of substantial legacies. However, there are significant commitments against these funds including the construction of three new carriages at Boston Lodge on the Ffestiniog Railway and the railways part in the National Lottery Heritage Fund Development phase. In addition, the Holdings Board are very mindful of the need to carry sensible reserves and also the likely ongoing support that will be necessary for the Railway Company.

Talylyn Holdings Limited

Trustees' Report

RESERVES POLICY

The Trustees continually review the financial performance and outlook and with the Railway Company's management consider the risks surrounding the Railway's core operating and trading activities. The Trustees are confident that they will continue to attract donations, legacies and grants to support the Railway Company's liabilities. The policy is to accumulate funds adequate to cover expenditure which cannot be accurately predicted, taking reasonable account of the Talylyn Railway Company's strategic plans for renewal and enhancement, and to review the level of such reserves regularly.

The Railway continues to face a period of uncertainty, with high inflation impacting both our input costs and the cost-of-living for our customers, which in turn could impact on our level of demand. Although it is yet to be seen how these factors will impact the Railway's ability to cover future expenditure, as at 31 January 2023, the Trustees believe that the level of reserves remain adequate to cover future demands which it is reasonable to anticipate.

FUTURE PLANS

A Strategy for the Railway for ten years from 2014 was published in December, 2013 and updated in 2016 for the period to 2025. This strategy remains in place and is considered appropriate by the Trustees. It is intended to complete a review of the strategy in the near term.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Talylyn Holdings Limited was incorporated in 1952 under the Companies Acts as a Company Limited by Guarantee without share capital (Registration number: 511996) and is governed by its Memorandum and Articles of Association which were adopted on 3rd. October, 1952 and updated on 8th. December 1973, 24th. February 1996, 31st. August 2001, 31st. May 2019 and 26th. August 2021. It was registered as a charity on 25th. October, 2001 with the Charity Commission for England and Wales (Registration number: 1089053). The ultimate controlling organisation is the Talylyn Railway Preservation Society. The Board met six times during the year and considered the financial position at each meeting.

Talylyn Holdings Limited

Trustees' Report

Trustees

The Trustees who served during the year to 31 January 2023 are as follows:

Keith Hayes
Gareth Jones
Elisabeth Mann
Daniel Poulson
Keith Theobald
David Ventry

Company Secretary: Andrew Simner

Chief Financial Officer: Garry Mumford

Recruitment and Appointment of New Trustees

Trustees are appointed in accordance with the Company's Articles of Association as approved by the Charity Commission. The majority of the Trustees are appointed by and from the Council of the Talylyn Railway Preservation Society and as such have considerable experience of working with the existing trustees.

Induction and Training of Trustees

New trustees are provided with information on their role and responsibilities as a trustee, together with a copy of the Memorandum and Articles of Association and the latest Report and Financial Statements. Trustees are kept up to date as appropriate with developments within the charitable sector.

Related Parties

Trustees are obliged to disclose any related parties or conflicts of interest and may not take part in any vote at meetings which involves decisions being made in respect of agreements or otherwise with these parties.

Key Management Personnel

The charity considers its key management personnel to be the Trustees, the Company Secretary and the Chief Financial Officer. The Trustees and Officers are all volunteers and receive no remuneration from the Company; no Trustee was reimbursed expenses in the year (2022: £Nil). It has no paid employees.

Risk Management

The Trustees are confident that the major financial and non-financial risks faced by the organisation are being suitably managed with systems and procedures in place to address and mitigate these risks. The charity's risks are managed by careful maintenance of its fixed assets, conservative investment of funds in hand and only making grants from those funds. A safeguarding policy is in force.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Talylyn Holdings 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 the 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 Group and of the incoming resources and application of resources, including income and expenditure, of the charitable Company and Group for that period. In preparing these financial statements, the Trustees are required to:

Tallylyn Holdings Limited

Trustees' Report

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable Company and Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as we are aware:

- There is no relevant audit information of which the charitable Company's and Group's auditor is unaware; and
- 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.

The Trustees reserve the right on a voluntary basis under Companies Act Section 454 to amend these financial statements if they subsequently prove to be defective.

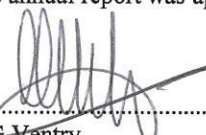
AUDITORS

A resolution to reappoint McBrides Accountants LLP as auditors will be proposed at the Annual General Meeting in accordance with Section 485 of the Companies Act 2006.

SMALL COMPANY EXEMPTIONS

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The annual report was approved by the trustees of the charity on^{2/9/23}..... and signed on its behalf by:


.....
D.G. Ventry
Chairman and Trustee

Talyllyn Holdings Limited

Independent Auditor's Report to the Members of Talyllyn Holdings Limited

Opinion

We have audited the financial statements of Talyllyn Holdings Limited (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 January 2023, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 January 2023 and of the group's results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Talylyn Holdings Limited

Independent Auditor's Report to the Members of Talylyn Holdings Limited

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the and Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the and the Trustees' Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the (set out on page 8), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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.

Talylyn Holdings Limited

Independent Auditor's Report to the Members of Talylyn Holdings Limited

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

Discussions were held with, and enquiries made of, management and those charged with governance with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards and Charity Law
- those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include compliance with the charitable objectives, public benefit, fundraising regulations and health and safety legislation.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Talylyn Holdings Limited

Independent Auditor's Report to the Members of Talylyn Holdings Limited

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. 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.

McBrides Accountants LLP

.....
Andrew Warren (Senior Statutory Auditor)

For and on behalf of McBrides Accountants LLP, Statutory Auditor

Nexus House
Cray Road
Sidcup
Kent
DA14 5DA

Date: *20/2/23*.....

Talylyn Holdings Limited

**Consolidated Statement of Financial Activities for the Year Ended 31 January 2023
(Including Consolidated Income and Expenditure Account and Statement of Total
Recognised Gains and Losses)**

	Note	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Income and Endowments from:					
Donations, subscriptions and legacies	3	618,657	261,800	880,457	506,898
Charitable activities	4	721,779	-	721,779	640,077
Other trading activities	5	617,888	-	617,888	503,514
Investment income	6	963	-	963	11
Other income	7	12,799	-	12,799	99,525
Total income		<u>1,972,086</u>	<u>261,800</u>	<u>2,233,886</u>	<u>1,750,025</u>
Expenditure on:					
Raising funds	8	(536,357)	-	(536,357)	(408,848)
Charitable activities	8	(846,549)	(339,756)	(1,186,305)	(971,822)
Total expenditure		<u>(1,382,906)</u>	<u>(339,756)</u>	<u>(1,722,662)</u>	<u>(1,380,670)</u>
Net income/(expenditure)		589,180	(77,956)	511,224	369,355
Transfers between funds		(24,965)	24,965	-	-
Net movement in funds		564,215	(52,991)	511,224	369,355
Reconciliation of funds					
Total funds brought forward		<u>2,140,157</u>	<u>1,123,272</u>	<u>3,263,429</u>	<u>2,894,074</u>
Total funds carried forward	20	<u>2,704,372</u>	<u>1,070,281</u>	<u>3,774,653</u>	<u>3,263,429</u>

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

The funds breakdown for 2022 is shown in note 20.


Talylyn Holdings Limited

(Registration number: 00511996)

Consolidated Balance Sheet as at 31 January 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	1,591,578	1,586,690
Heritage assets	15	<u>363,463</u>	<u>379,953</u>
		<u>1,955,041</u>	<u>1,966,643</u>
Current assets			
Stocks	17	470,453	141,083
Debtors	18	178,598	77,994
Cash at bank and in hand		<u>1,357,515</u>	<u>1,178,323</u>
		2,006,566	1,397,400
Creditors: Amounts falling due within one year	19	<u>(186,954)</u>	<u>(100,614)</u>
Net current assets		<u>1,819,612</u>	<u>1,296,786</u>
Net assets		<u>3,774,653</u>	<u>3,263,429</u>
Funds of the group:			
Restricted funds		1,070,281	1,123,272
Unrestricted income funds			
Unrestricted funds		<u>2,704,372</u>	<u>2,140,157</u>
Total funds	20	<u>3,774,653</u>	<u>3,263,429</u>

The financial statements on pages 14 to 34 were approved by the trustees, and authorised for issue on 2/9/23 and signed on their behalf by:



 D G Ventry
 Chairman and Trustee

Talyllyn Holdings Limited
(Registration number: 00511996)
Balance Sheet as at 31 January 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	472,189	480,432
Current assets			
Debtors	18	35,916	38,135
Cash at bank and in hand		<u>1,044,167</u>	<u>796,490</u>
		1,080,083	834,625
Creditors: Amounts falling due within one year	19	<u>(13,750)</u>	<u>(14,186)</u>
Net current assets		<u>1,066,333</u>	<u>820,439</u>
Net assets		<u>1,538,522</u>	<u>1,300,871</u>
Funds of the charity:			
Restricted funds		38,174	38,174
Unrestricted income funds			
Unrestricted funds		<u>1,500,348</u>	<u>1,262,697</u>
Total funds	20	<u>1,538,522</u>	<u>1,300,871</u>

The financial statements on pages 14 to 34 were approved by the trustees, and authorised for issue on
and signed on their behalf by:

.....
D G Ventry
Chairman and Trustee

Tallylyn Holdings Limited

Consolidated Statement of Cash Flows for the Year Ended 31 January 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net movement in funds		511,224	369,355
Adjustments to cash flows from non-cash items			
Depreciation		89,555	81,026
Investment income	6	<u>(963)</u>	<u>(11)</u>
		599,816	450,370
Working capital adjustments			
Increase in stocks	17	(329,370)	(13,971)
Increase in debtors	18	(100,604)	(55,113)
Increase/(decrease) in creditors	19	<u>86,340</u>	<u>(24,064)</u>
Net cash flows from operating activities		<u>256,182</u>	<u>357,222</u>
Cash flows from investing activities			
Interest receivable and similar income	6	963	11
Purchase of tangible fixed assets	14	<u>(77,953)</u>	<u>(69,034)</u>
Net cash flows from investing activities		<u>(76,990)</u>	<u>(69,023)</u>
Net increase in cash and cash equivalents		179,192	288,199
Cash and cash equivalents at 1 February		<u>1,178,323</u>	<u>890,124</u>
Cash and cash equivalents at 31 January		<u>1,357,515</u>	<u>1,178,323</u>

All of the cash flows are derived from continuing operations during the above two periods.

Talylyn Holdings Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

1 Charity status

The charity is limited by guarantee, incorporated in the United Kingdom, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £5 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

Wharf Station
Tywyn
Gwynedd
LL36 9EY

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

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

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 January 2023.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006. The charity made a profit after tax for the financial year of £271,623 (2022 - profit of £221,948).

Talylyn Holdings Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

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

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

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

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

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

Going concern

The railway has suffered a challenging year with significant cost increases across the board and few opportunities to increase revenue to offset them. The post Covid recovery has been much slower than anticipated. Despite this however, cash reserves are strong and continue to grow through various substantial legacies. The trustees are encouraged that to date in the post year end period, results have seen a substantial further improvement. In light of this and with the continued support of our Society members and donors, the trustees have confidence that the charity remains a going concern for the foreseeable future.

Talylyn Holdings Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Specifically, judgements and estimates are required in determining the useful economic life of tangible and heritage assets.

Income and endowments

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

Voluntary income is recognised when they have been communicated in writing with notification of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfillment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the bank.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities. For more information on this allocation refer to the note below.

Allocated costs

Support costs and governance costs have been differentiated from other costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees.

Governance costs and support costs relating to charitable activities have been apportioned appropriately. The allocation of support and governance costs is analysed in the notes.

Talylyn Holdings Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

Reserves

The regular, unrestricted income is sufficient to cover the day to day running of the charity.

The agreed reserve policy for 2022/23 was to have available a minimum of £500,000 to £900,000 in unrestricted funds. Based on the risk profile of the income and expenditure, this was deemed an appropriate amount to cover any sudden increases in expenditure, or decreases in income.

Any unrestricted funds held over and above this are regularly monitored with the intention of using them to forward the charity's objectives.

The reserve policy is regularly assessed by the Trustees for appropriateness.

Tangible fixed assets

All assets costing more than £1,000 are capitalised at cost.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognized as impairments. Impairment losses are recognised in the Consolidated Statement of Financial Activities.

Tangible fixed assets are measured at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives.

Heritage assets

The items included within heritage assets relate to the Talylyn Railway and were acquired by the charity in accordance with its aim to preserve and maintain the railway.

Heritage assets are measured at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives.

Depreciation and amortisation

Depreciation is provided at rates calculated to write off the cost of fixed and heritage assets, less their estimated residual value, over their expected useful lives on the following basis:

Asset class	Depreciation method and rate
Land and buildings	Over 50 years
Plant, machinery, fixtures & fittings	Over 10 years
Commercial operations, office and IT	Over 5 years
Permanent way and infrastructure	Over 40 years
Locomotives	Over 20 years
Rolling stock	Over 40 years

Talylyn Holdings Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

Stock

Stocks consist of goods to be sold in the shop and café as well as engineering and consumable items for use on the railway and are valued at the lower of cost and net realizable value.

At each reporting date, stocks are assessed for impairment. If stocks are impaired, the impairment loss is recognised immediately in the statement of financial activities.

Trade debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Cash and cash equivalents

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

Trade creditors

Creditors and provisions are recognised 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 recognised at transaction value.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement as financial assets or financial liabilities. The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value.

Fund structure

The general fund comprises those monies, which may be used to meet charitable objectives at the discretion of the Trustees.

The restricted fund represents those monies that can only be used for a particular purpose within the objectives of the charity. Restrictions arise when specified by the donor or when funds are raised for a particular restricted purpose.

Tallylyn Holdings Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

3 Income from donations and legacies

	Unrestricted funds		Total 2023 £	Total 2022 £
	General £	Restricted funds £		
General donations and legacies	424,925	14,592	439,517	315,452
Tax recoverable	18,732	-	18,732	41,234
Grants	-	247,208	247,208	150,212
	<u>443,657</u>	<u>261,800</u>	<u>705,457</u>	<u>506,898</u>

4 Income from charitable activities

	Unrestricted funds		Total 2023 £	Total 2022 £
	General £	Restricted funds £		
Railway operations	<u>721,779</u>	<u>-</u>	<u>721,779</u>	<u>640,077</u>

5 Income from other trading activities

	Unrestricted funds		Total 2023 £	Total 2022 £
	General £	Restricted funds £		
Shop income	175,162	-	175,162	157,075
Catering income	442,726	-	442,726	346,439
	<u>617,888</u>	<u>-</u>	<u>617,888</u>	<u>503,514</u>

6 Investment income

	Unrestricted funds		Total 2023 £	Total 2022 £
	General £	Restricted funds £		
Interest receivable on bank deposits	<u>963</u>	<u>-</u>	<u>963</u>	<u>11</u>

Talylyn Holdings Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

7 Other income

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	General	funds	2023	2022
	£	£	£	£
Other income	12,799	-	12,799	99,527
	12,799	-	12,799	99,527

Other income includes £Nil (2022: £89,470) in relation to business interruption insurance claims.

8 Expenditure on charitable activities

	Raising funds	Governance	Charitable activities	Total 2023	Total 2022
	£	£	£	£	£
Staff costs	237,798	-	593,157	830,955	643,400
Support costs	22,044	-	362,787	384,831	375,479
Cost of goods sold	276,515	-	-	276,515	205,503
Railway operating costs	-	-	216,445	216,445	143,704
Auditors' remuneration for all services	-	13,916	-	13,916	12,584
	536,357	13,916	1,172,389	1,722,662	1,380,670

Tallylyn Holdings Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

9 Analysis of support costs

	Unrestricted funds		Total 2023	Total 2022
	General	Restricted funds		
	£	£	£	£
Rent, rates and insurance	27,803	-	27,803	28,953
Electricity, water and gas	52,397	-	52,397	51,636
Printing and stationery	7,810	-	7,810	4,768
Advertising and publicity	33,917	-	33,917	45,409
Postage and telephone	8,618	-	8,618	21,727
Bank and credit card charges	20,922	-	20,922	18,807
Cleaning and first aid	16,448	-	16,448	10,915
Accountancy software and systems	22,300	-	22,300	21,100
Legal fees	6,313	-	6,313	16,321
HR consultancy	660	-	660	2,358
HRA subscription and meeting expenses	2,570	-	2,570	1,971
Grants payable	2,250	-	2,250	10,174
Messroom supplies and free staff/volunteer drinks	4,804	-	4,804	2,676
Refuse collection and disposal	10,429	-	10,429	7,453
Premises licenses	250	-	250	250
Security and alarm	4,900	-	4,900	4,671
Consumables and disposables	13,735	-	13,735	9,775
Computer running expenses	22,588	-	22,588	22,859
Miscellaneous	33,803	-	33,803	12,630
Repairs and renewals	2,759	-	2,759	-
Depreciation	89,555	-	89,555	81,026
	<u>384,831</u>	<u>-</u>	<u>384,831</u>	<u>375,479</u>

10 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

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

Talylyn Holdings Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

11 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	716,519	570,651
Social security costs	48,743	33,173
Pension costs	32,334	28,892
Other staff costs	33,359	10,684
	<u>830,955</u>	<u>643,400</u>

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

	2023 No	2022 No
Catering	20	18
Engineering	10	9
Shop	1	2
Railway operations and administration	11	8
Museum	2	2
	<u>44</u>	<u>39</u>

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

It should be noted that the average number of employees includes all employees regardless of hours worked and is not stated on a full time equivalent basis. The numbers are therefore highly distorted by seasonal staff working short hours.

12 Auditors' remuneration

	2023 £	2022 £
Audit of the financial statements	<u>13,916</u>	<u>12,584</u>

13 Taxation

The railway company is recognised by HMRC as having a charitable purpose and therefore is not liable to income tax or corporation tax on income derived from charitable activities, as it falls within the various exemptions available to registered charities.

Tallylyn Holdings Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

14 Tangible fixed assets

Group

	Land and buildings £	Plant, machinery, fixtures & fittings £	Motor vehicles £	Commercial operations, office and IT £	Total £
Cost					
At 1 February 2022	2,024,507	138,157	24,245	56,292	2,243,201
Additions	-	50,364	-	27,589	77,953
At 31 January 2023	<u>2,024,507</u>	<u>188,521</u>	<u>24,245</u>	<u>83,881</u>	<u>2,321,154</u>
Depreciation					
At 1 February 2022	572,996	56,236	5,412	21,867	656,511
Charge for the year	38,588	15,354	4,849	14,274	73,065
At 31 January 2023	<u>611,584</u>	<u>71,590</u>	<u>10,261</u>	<u>36,141</u>	<u>729,576</u>
Net book value					
At 31 January 2023	<u>1,412,923</u>	<u>116,931</u>	<u>13,984</u>	<u>47,740</u>	<u>1,591,578</u>
At 31 January 2022	<u>1,451,511</u>	<u>81,921</u>	<u>18,833</u>	<u>34,425</u>	<u>1,586,690</u>
Charity					
				Land and buildings £	Total £
Cost					
At 1 February 2022				507,196	507,196
At 31 January 2023				<u>507,196</u>	<u>507,196</u>
Depreciation					
At 1 February 2022				26,764	26,764
Charge for the year				8,243	8,243
At 31 January 2023				<u>35,007</u>	<u>35,007</u>
Net book value					
At 31 January 2023				<u>472,189</u>	<u>472,189</u>
At 31 January 2022				<u>480,432</u>	<u>480,432</u>

Talylyn Holdings Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

15 Heritage assets

Group

	Permanent way and infrastructure £	Locomotives and rolling stock £	Total £
Cost			
At 1 February 2022	181,641	262,194	443,835
At 31 January 2023	181,641	262,194	443,835
Depreciation			
At 1 February 2022	22,055	41,827	63,882
Charge for the year	4,539	11,951	16,490
At 31 January 2023	26,594	53,778	80,372
Net book value			
At 31 January 2023	155,047	208,416	363,463

Summary of transactions

	2023 £	2022 £	2021 £	2020 £	2019 £
Additions					
Assets purchased - development	-	-	38,042	7,798	87,883
Total additions	-	-	38,042	7,798	87,883
Depreciation					
Assets purchased - development	16,490	15,856	15,540	15,094	11,771
Total depreciation	16,490	15,856	15,540	15,094	11,771

Talylyn Holdings Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

16 Fixed asset investments

Charity

2023
£

Shares in group undertakings and participating interests

Subsidiary
undertakings
£

Cost

At 31 January 2023

-

Net book value

At 31 January 2023

-
=====

Talylyn Railway Company undertakes the trading activities of the group. The parent charity owns 100% of the ordinary share capital of this subsidiary, which is held between the directors individually. Its principal purpose is the running and maintenance of the Talylyn Railway.

A summary of the trading results is shown below:

	2023 £	2022 £
Turnover	1,428,774	1,543,945
Cost of sales	<u>(1,322,009)</u>	<u>(992,574)</u>
Gross profit	<u>106,765</u>	<u>551,371</u>
Administrative expenses	(337,667)	(335,435)
Donation from Talylyn Railway Preservation Society	<u>175,000</u>	<u>50,000</u>
Net profit/(loss)	<u>(55,902)</u>	<u>265,936</u>
Retained earnings brought forward	736,753	470,817
Net profit/(loss) for the year	<u>(55,902)</u>	<u>265,936</u>
Retained earnings carried forward	<u>680,851</u>	<u>736,753</u>

Talyllyn Holdings Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

17 Stock

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Fuel & consumables	2,544	4,356	-	-
Maintenance	55,581	26,210	-	-
Work in progress - Assets under construction	365,098	64,913	-	-
Goods for resale	47,230	45,604	-	-
	<u>470,453</u>	<u>141,083</u>	<u>-</u>	<u>-</u>

18 Debtors

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	146	240	-	-
Prepayments and other debtors	106,336	53,998	55	7,700
Taxation and social security	29,235	5,860	-	-
Due from group undertakings	-	-	35,861	30,435
Amounts due from related parties	42,881	17,896	-	-
	<u>178,598</u>	<u>77,994</u>	<u>35,916</u>	<u>38,135</u>

19 Creditors: amounts falling due within one year

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade creditors	115,470	51,501	-	-
Other creditors	21,732	1,386	-	1,186
Accruals & deferred income	49,752	47,727	13,750	13,000
	<u>186,954</u>	<u>100,614</u>	<u>13,750</u>	<u>14,186</u>

Deferred income

	2023 £
Deferred income at 1 February 2022	(19,479)
Resources deferred in the period	(6,959)
Amounts released from previous periods	<u>9,579</u>
Deferred income at 31 January 2023	<u>(16,859)</u>

Talyllyn Holdings Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

20 Funds

Group

Group	Balance at 1 February 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 January 2023 £
Unrestricted funds					
<i>General</i>					
General funds	2,086,153	1,972,086	(1,382,906)	(24,965)	2,650,368
Designated funds	54,004	-	-	-	54,004
	<u>2,140,157</u>	<u>1,972,086</u>	<u>(1,382,906)</u>	<u>(24,965)</u>	<u>2,704,372</u>
Restricted funds					
Wharf building	971,080	-	(30,346)	-	940,734
Loco. No.3 "Sir Haydn"	76,293	-	(7,976)	-	68,317
Corris Coach	37,725	-	(951)	-	36,774
Tracksiders Fund	628	-	(628)	-	-
Open Carriages Appeal	-	60	(3,231)	3,171	-
Ty Dŵr Appeal	4,579	2,414	(6,993)	-	-
2018 AGM Strimmers Etc. Appeal	319	-	(319)	-	-
2019 AGM Carriage Heating Appeal	2,585	-	-	-	2,585
2020 AGM Loco Injectors Appeal	5,713	-	(7,000)	1,287	-
2021 AGM Corris Van Appeal	586	1,533	(10,325)	8,206	-
Carbon Offset Donations	1,271	415	-	-	1,686
Graham Guildford Fund	21,653	782	(2,250)	-	20,185
Virtual Visit Appeal	438	-	-	(438)	-
Tamping Machine Appeal	402	-	(402)	-	-
Defibrillators	-	2,325	(3,307)	982	-
Robel Rail Movers	-	1,900	(8,586)	6,686	-
Carriage Door Locks	-	5,163	(10,234)	5,071	-
Total restricted funds	<u>1,123,272</u>	<u>14,592</u>	<u>(92,548)</u>	<u>24,965</u>	<u>1,070,281</u>
Restricted grants					
Welsh Government Coastal Communities Fund	-	247,208	(247,208)	-	-
Total restricted grants	<u>-</u>	<u>247,208</u>	<u>(247,208)</u>	<u>-</u>	<u>-</u>
Total funds	<u>3,263,429</u>	<u>2,233,886</u>	<u>(1,722,662)</u>	<u>-</u>	<u>3,774,653</u>

Talylyn Holdings Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

	Balance at 1 February 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 January 2022 £
Unrestricted funds					
General	(1,653,344)	(1,575,361)	1,086,084	2,464	(2,140,157)
Restricted funds	<u>(1,240,730)</u>	<u>(174,664)</u>	<u>294,586</u>	<u>(2,464)</u>	<u>(1,123,272)</u>
Total funds	<u>(2,894,074)</u>	<u>(1,750,025)</u>	<u>1,380,670</u>	<u>-</u>	<u>(3,263,429)</u>
	Balance at 1 February 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 January 2022 £
Unrestricted funds					
<i>General</i>					
General funds	1,599,340	1,575,361	(1,086,084)	(2,464)	2,086,153
Designated funds	54,004	-	-	-	54,004
	<u>1,653,344</u>	<u>1,575,361</u>	<u>(1,086,084)</u>	<u>(2,464)</u>	<u>2,140,157</u>
Restricted funds					
Wharf building	1,001,426	-	(30,346)	-	971,080
Loco. No.3 "Sir Haydn"	84,270	-	(7,977)	-	76,293
Corris Coach	38,042	-	(317)	-	37,725
Tracksiders Fund	628	-	-	-	628
Open Carriages Appeal	-	35	(2,499)	2,464	-
Ty Dŵr Appeal	1,497	6,082	(3,000)	-	4,579
2018 AGM Strimmers Etc. Appeal	319	-	-	-	319
2019 AGM Carriage Heating Appeal	2,585	-	-	-	2,585
2020 AGM Loco Injectors Appeal	5,713	-	-	-	5,713
2021 AGM Corris Van Appeal	-	3,836	(3,250)	-	586
Carbon Offset Donations	-	1,271	-	-	1,271
Graham Guildford Fund	16,597	5,230	(174)	-	21,653
Virtual Visit Appeal	438	-	-	-	438
Tamping Machine Appeal	35	7,998	(7,631)	-	402
Total restricted funds	<u>1,151,550</u>	<u>24,452</u>	<u>(55,194)</u>	<u>2,464</u>	<u>1,123,272</u>

Tallylyn Holdings Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

	Balance at 1 February 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 January 2022 £
Restricted grants					
Culture Recovery Fund - Round 1	89,180	-	(89,180)	-	-
Gwynedd Council Covid Grant	-	14,000	(14,000)	-	-
Coronavirus Job Retention Scheme	-	36,212	(36,212)	-	-
Culture Recovery Fund - Round 2	-	100,000	(100,000)	-	-
Total restricted grants	<u>89,180</u>	<u>150,212</u>	<u>(239,392)</u>	<u>-</u>	<u>-</u>
Total funds	<u>2,894,074</u>	<u>1,750,025</u>	<u>(1,380,670)</u>	<u>-</u>	<u>3,263,429</u>

The designated unrestricted fund is allocated funds towards the Wharf Building restricted fund.

The fund for the Wharf Building made possible the construction of a large building accommodating the Narrow Gauge railway Museum, Shop and Catering operations and offices, completed in 2005.

The fund for Loco No.3 "Sir Haydn" contributed to the comprehensive rebuild and refurbishment of this historic locomotive which was completed in 2018.

The fund for the Corris Coach facilitated the extensive refurbishment of the Corris Coach completed in 2021.

The Graham Guilford Fund was created through a legacy from the late Graham Guilford to benefit young volunteers. It is now used and administered to provide grants to young people in order that they may spend time volunteering on the railway which might otherwise not be financially possible. It is boosted by new donations from time to time.

Talylyn Holdings Limited

Notes to the Financial Statements for the Year Ended 31 January 2023

21 Analysis of net assets between funds

Group

	Unrestricted funds	Restricted funds	Total funds
	General £	£	£
Tangible fixed assets	855,215	1,099,826	1,955,041
Current assets	1,849,157	(29,545)	1,819,612
Total net assets	<u>2,704,372</u>	<u>1,070,281</u>	<u>3,774,653</u>

22 Related party transactions

Group

During the year the group received a donation from The Talylyn Railway Preservation Society of £175,000 (2022: £50,000).

23 Ultimate controlling party

Talylyn Holdings Limited is controlled by the right of appointment of the majority of directors by the Talylyn Railway Preservation Society.

In the opinion of the Trustees there is no ultimate controlling party of the charity.

TALYLLYN HOLDINGS LIMITED

England & Wales - Charity number 1089053

Accounts

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022



COMPANY NUMBER: 00511996

CHARITY NUMBER: 1089053

TALYLLYN HOLDINGS LIMITED
REPORT AND ACCOUNTS TO 31 JANUARY 2022
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TALYLLYN HOLDINGS LIMITED
REPORT AND ACCOUNTS TO 31 JANUARY 2022
REFERENCE AND ADMINISTRATIVE INFORMATION

Directors and Trustees

K. F. M Hayes
R.G.W. Jones
E.J. Mann
D.H.W Poulson
C.K. Theobald
D.G. Ventry

Company Secretary

-A.J. Simner-

Registered Office

Wharf Station
Tywyn
Gwynedd
LL36 9EY

Auditors

McBrides Accountants LLP
Nexus House
Cray Road
Sidcup
Kent
DA14 5DA

TALYLLYN HOLDINGS LIMITED
REPORT AND ACCOUNTS TO 31 JANUARY 2022

TRUSTEES' REPORT

INTRODUCTION

The Trustees, who are also the Directors of the Company for the purposes of the Companies Act, submit their Annual Report and Financial Statements for the year ended 31st January 2022. The consolidated financial statements comply with current statutory requirements, the Memorandum and Articles of Association and 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)).

PRINCIPAL ACTIVITY

The Objects of the Company include the preservation of the historic structures and equipment of the Talylyn Railway and the promotion of public knowledge of and access to them. To this end it is the beneficial owner of all the shares in the Talylyn Railway Company and the owner or lessee of various assets peripheral to that ownership. The principal activity of the subsidiary is that of operating and maintaining the Talylyn Railway.

The strategies employed to achieve these objectives are to:

- retain the beneficial ownership of all the shares in the Talylyn Railway Company;
- control the Railway Company by the election of its Directors in accordance with established custom;
- raise money from individuals and organisations;
- make grants in accordance with its Objects;
- encourage volunteers on the Railway, in particular by the provision of accommodation;
- make loans to the Railway Company when required by exceptional circumstances.

ACHIEVEMENTS AND ACTIVITIES

Initial hopes of a return to some kind of normality in 2021 proved to be somewhat over-optimistic, although there were some considerable improvements. The Railway started the year in the third lockdown and saw restrictions gradually eased throughout the year. On the positive side, the established Covid procedures were tried and tested, so the Railway was able to cope well with the various changes in the legislation as the number of cases fluctuated.

Much hard work and creative thinking went into the re-opening of the Narrow Gauge Railway Museum, providing our passengers once more with a very worthwhile extra attraction at Wharf. The work done enhanced the Museum, and is a good example of the pandemic having a positive outcome for our long-term standing.

Unsurprisingly, outdoor work was somewhat easier to arrange, although as to be expected, numbers were somewhat limited in the earlier part of the year, but the autumn outdoor week showed a return to healthy numbers of volunteers. It was also good to see younger volunteers able to return – amongst other activities, the Navvies practiced the art of slate fencing, whilst the Tracksiders carried out some very useful work at Nant Gwernol – very appropriate as this was the forty-fifth anniversary of the opening of the extension.

As the restrictions eased we were able once again to provide opportunities for training on the trains, something the stricter regulations had prevented. Other activities were able to resume in a measured way, with appropriate precautions being taken, as the country gradually opened up. Online meetings however continued to be the norm, this time including a full AGM. Much has been learned which will be useful in the future, opening up possibilities to those who cannot travel to Tywyn so easily.

Planning has continued for the development of Pendre and the former Orchard site. In reality the latter is an area which has for many years been very overgrown, despite the attractive sounding historic name. Work also progressed on the new open and bogie carriages, the former being carried out in-house. With the gradual reduction of restrictions, routine maintenance was easier to arrange and carry out, and the Railway generally is looking smart and tidy.

Despite the reduction in passenger journeys compared with a normal year, the Railway is in good financial shape, and the generosity of members, both in donations and legacies, was greatly appreciated. We can look forward with some confidence to 2022 and the challenges that another year will undoubtedly bring.

Traffic & Operating

The year ending 31st. January, 2022 saw 76,521 passenger journeys, an increase of 198.5% on the previous year. For comparison the total for 2019–20, the last pre-Covid-19 year, was 94,811 and the highest ever was 185,574 for 1973. Public bookings were 34,699 (2020–21: 11,234; 2019–20: 40,443).

The resurgence of the disease at the end of 2020, the consequent lockdown and subsequent restrictions did not allow the Railway to operate a public service until 1st. May. Bookings were still for whole compartments and the various sanitizing procedures were still practiced. Temporary restrictions were imposed on members' travel. Some of the Welsh rules were eased during August but it seemed sensible to wait until the end of the peak service before making changes on the Railway. However, from the beginning of September we moved closer to normal with individual tickets available and trains serving all our stations and halts.

TALYLLYN HOLDINGS LIMITED

REPORT AND ACCOUNTS TO 31 JANUARY 2022

TRUSTEES' REPORT

Because of the late start to daily running an experiment was made with running weekends in November and early December. Those in November were commercially successful but impeded training and permanent way work and a repeat is not planned.

Race the Train was cancelled for the second year. The Quarryman name and headboard were repurposed for a variation on the Vintage Train specials. Santa Specials went well and the normal post-Christmas service ran, but several special events late in the year were cancelled as disease cases rose again.

At a hybrid meeting in September, 2020, the Chairman and Secretary of the Traffic & Operating Committee resigned and the continuing pandemic problems made it difficult to meet traditionally. Extraordinary online meetings were held in July, September and October, 2021 and six volunteer representatives were elected, albeit unopposed. To restore the previous electoral cycle, three were chosen by lot to serve for one year and the other three received the standard two-year sentence. The elected members met in November to select the Committee's officers and a full formal meeting took place online on 9th. January 2022.

Shop and Catering

The Shop and Catering activities of the Talylyn Railway Company are important in generating a surplus to further the charitable objectives of Talylyn Holdings. The catering offering was restricted for the majority of the year, with screens being still in place until the autumn limiting capacity. However, that didn't necessarily mean a bad performance, with us achieving a revenue not dissimilar to 2018-2019 despite losing the first quarter of trade to lockdown.

What did help maintain our profitability was the prebooked items offered to customers at the point of booking. Hampers and cream teas that were purchased in advance helped add value to the visit and reduced the pressure on the catering service in the peak times.

Engineering

The Company's Object of the preservation, restoration, maintenance and protection of the structures, rolling stock, plant, equipment and artefacts of the Talylyn Railway is largely an engineering activity carried out by the Talylyn Railway Company with the aid of grants from the Charity.

The government restrictions placed the Railway in lockdown at the start of the year, which allowed us to concentrate on the works we would not normally be able to tackle with the Railway operational.

At the start of the year there were four steam locomotives operational (Nos. 2 Dolgoch, 3 Sir Haydn, 4 Edward Thomas and 7 Tom Rolt). During the year, we brought No.6 Douglas back into traffic for the peak season, and No.2 Dolgoch ran its final train in October before commencing its overhaul. The overhaul of No.1 Talylyn progressed, albeit at a slower pace than we had hoped, with the boiler work being handled by a TR volunteer at the Mid-Hants, and a contractor working in Tywyn on the frames and axle boxes. No.4 Edward Thomas moved to the Corris Railway for a week to take part in their gala, and their No.7 had a reciprocal visit to Tywyn for our gala. This event also featured two other 'Tattoo' class locos, Stanhope and Diana. A couple of weeks with lots of lorry movements and logistics!

The Corris coach was delivered back from Stanegate Restorations where the bodywork had been overhauled. It was fitted onto the refurbished bogies and returned to traffic in September in time for the gala. The new open carriage progressed with all the frame and panels being manufactured and painted and the chassis nearing completion. Existing open carriages went through the Works for maintenance.

In other work, the Aberdovey open wagon was outshopped and returned to traffic, a new tamper arrived and was nicknamed as Idris and after many years the leaky Dolgoch water tank was replaced. We were particularly pleased to see some of our staff members attain chainsaw qualifications and two pass NVQs in permanent way whilst an apprentice completed his training and was taken on as full time member of staff. We also recruited two new employees, so ended the year with a full complement ready for the year ahead.

Health & Safety

The reduced train service and furloughing of employees due to the Coronavirus pandemic had a continuing effect on reducing the numbers of accidents and incidents compared to previous years. Changed practices also had an effect, particularly locking of carriage doors. There was one reportable incident, a train running from Abergynolwyn to Quarry Siding without the correct Token. The majority of incidents were near misses with distraction continuing to be a common factor and these have been used at relevant seminars and meetings to reinforce the safety message.

Further significant work was carried out in the review of Risk Assessments, communicating Briefing Notes, and changes to practices in response to the pandemic.

TALYLLYN HOLDINGS LIMITED
REPORT AND ACCOUNTS TO 31 JANUARY 2022
TRUSTEES' REPORT

A review of our safety management practice was carried out using the Office of Rail and Road RM3 Risk Management Maturity Model for Heritage Railways. This highlighted a shortage of resources in some key areas and, after consideration by the Board, it was decided to appoint a Safety and Environmental Manager (Liz Porrett commenced work on 14th March 2022). This new post will provide leadership to further improve safety culture and manage and reduce risk.

The Drugs and Alcohol Policy was reviewed and re-issued, including the limits contained in the HRA Guidance and the ability to carry out for cause and random testing.

Heritage

Perhaps the single biggest piece of news over the past year was the awarding of World Heritage Status to the Railway as part of The Slate Landscape of Northwest Wales. This involved a significant amount of work including adopting a Conservation Management Statement and Local Management Plan for the Railway. In addition, Conservation Management Plans are currently being prepared for all our significant heritage items.

With the easing of Covid restrictions work resumed on several projects, most notably the reconstruction of the watering point at Tŷ Dŵr was completed shortly after the end of the year, with the first locomotives able to take water in March 2022. This was a monumental achievement which produced many complimentary comments.

Other projects also continued to move ahead. Work on the rebuilding of the Corris Van body proceeded at Pendre, while the chassis was rebuilt at Stanegate Restorations. A suitable standard gauge wagon for the transshipment display at Wharf was kindly donated by the Bristol Harbour Railway and is also currently at Stanegate being restored. When completed, the display will demonstrate how the slate from Bryneglwys was transferred to the main line and transported across the country and the world.

Fundraising

The Company has continued to receive generous giving from our supporters which has enabled us to continue with special projects and other aspects of keeping the Railway running. We have also continued to receive significant legacies from those who have remembered us in their wills, and once again we are grateful to all those who have helped us in this way. Thank you everyone for your support.

The Tŷ Dŵr and Corris Van/AGM Appeals raised over £9,000 and £5,000 respectively and we thank everyone who has helped us move forwards with these projects. One appeal fund we would like people to continue to support is the Young Volunteer's Fund/Graham Guilford Fund. This helps support young people with the costs of being able to stay in Tywyn to volunteer on the Railway to the benefit of everyone.

We are grateful for those who commit to give regularly to the Railway through the Heart of Gold group and, on the 14th May 2021 we held a special Founders' Day celebration. Despite Covid restrictions, were able to run a historic train which was live streamed to our members who were unable to attend. We were also honoured to receive an Early Day Motion, sponsored by Local MP Liz Saville Roberts, recognising our seventieth anniversary.

We were very disappointed to be turned down for development funding from the National Lottery Heritage Fund (NLHF) for the Wharf/Pendre project in August, 2021, despite being encouraged to submit an early application. This put us back at square one and we had to submit a new Expression of Interest which was accepted, so now we are working on a new application for the development funding.

KEY PERFORMANCE INDICATORS

The Company is committed to self-evaluation, measuring the organisation both internally and externally. Financial information is presented to the Trustees at every meeting.

PUBLIC BENEFIT

The Trustees have referred to the Charity Commission's guidance on public benefit when reviewing the Company's aims and objects and in planning future activities of the Group. We consider that the Group carries out its charitable activities for the benefit of the general public. The Company makes grants primarily to ensure the survival of the Talylyn Railway which was the earliest narrow-gauge railway constructed with the use of steam haulage and the carriage of passengers envisaged from the outset. The Company also makes grants to individuals who volunteer on the Railway and benefit educationally from the experience and undertakes some direct educational work. Through the Talylyn Railway Company it provides employment in the area, including that of three apprentices learning valuable skills, and aims to reach out to the local community, for example by participating in local events and providing work experience for schools and colleges. Research in North Wales and elsewhere shows that heritage railways provide significant economic advantages to their local areas.

TALYLLYN HOLDINGS LIMITED
REPORT AND ACCOUNTS TO 31 JANUARY 2022
TRUSTEES' REPORT

FINANCIAL REVIEW

Whilst the 2021-2022 year was a little more normal, after the very dramatic year last year, it still creates a very distorted picture and not one that is likely to be repeated. Again, comparisons with earlier years are very difficult.

With the Railway operating from May 2021, although in a far from normal manner with the Covid restrictions still in place then, it experienced more normal trading incomes and operating costs from that point. Funding from the second round of the Culture Recovery Fund of £100,000, and a successful Business Interruption Insurance Claim of £89,470, also significantly improved the financial performance in the year. In addition, costs were carefully managed ahead of the reopening and full use made of the Coronavirus Job Retention Scheme.

The result being that as in the prior year the Railway Company reported a rare surplus, which is in fact even greater than prior year. This in turn has created a very healthy cash position which could never have been anticipated at the beginning of the pandemic in March 2020 when the position looked very bleak indeed.

The operations through the Railway Company since the year end have returned to a pre-pandemic normal with good visitor levels and revenues improving on 2019 which is now the benchmark year. The cash reserves have also resulted in the operations not needing cash support from either the Society or Holdings during the winter of 2021-2022.

Talylyn Holdings itself is carrying substantial cash reserves due to continuing successful fundraising and a number of substantial legacies. The members' loans taken at the time of the acquisition of Trefri have been repaid. The reserves held provided the Board with the confidence to invest in much needed areas of the infrastructure with a number of smaller purchases being made as well as larger projects. These include the three new bogie carriages being built at Boston Lodge on the Ffestiniog Railway (supported by a grant of £300,000 from the Coastal Communities Fund), the proposed heritage shed at Wharf, and also supporting necessary contributions to projects such as the redevelopment of Pendre, using the land acquired, and improving and expanding volunteer accommodation. So, whilst the cash balances seem large, and have grown further since the year end, it is easy to see how this can be quickly utilised.

RESERVES POLICY

The Trustees continually review the financial performance and outlook and with the Railway Company's management consider the risks surrounding the Railway's core operating and trading activities. The Trustees are confident that they will continue to attract donations, legacies and grants to support the Railway Company's liabilities. The policy is to accumulate funds adequate to cover expenditure which cannot be accurately predicted, taking reasonable account of the Talylyn Railway Company's strategic plans for renewal and enhancement, and to review the level of such reserves regularly.

The exceptional trading period following the easing of Covid-19 restrictions has increased the level of reserves as described in the Financial Review above. The Railway has now entered a new period of uncertainty, with high inflation impacting input costs and an emerging cost-of-living crisis which in turn could impact on our level of demand. It is yet to be seen how these factors, together with the War in Ukraine, will impact the Railway's ability to cover future expenditure. As at 31 January 2022, the Trustees believe that the level of reserves remain adequate to cover future demands which it is reasonable to anticipate.

FUTURE PLANS

A Strategy for the Railway for ten years from 2014 was published in December, 2013 and updated in 2016 for the period to 2025. This strategy remains in place and is considered appropriate by the Trustees. It is intended to complete a review of the strategy in the near term

STRUCTURE, GOVERNANCE AND MANAGEMENT

Talylyn Holdings Limited was incorporated in 1952 under the Companies Acts as a Company Limited by Guarantee without share capital (Registration number: 511996) and is governed by its Memorandum and Articles of Association which were adopted on 3rd. October, 1952 and updated on 8th. December 1973, 24th. February 1996, 31st. August 2001, 31st. May 2019 and 26th. August 2021. It was registered as a charity on 25th. October, 2001 with the Charity Commission for England and Wales (Registration number: 1089053). The ultimate controlling organization is the Talylyn Railway Preservation Society. The Board met seven times during the year and considered the financial position at each meeting.

TALYLLYN HOLDINGS LIMITED
REPORT AND ACCOUNTS TO 31 JANUARY 2022
TRUSTEES' REPORT

Trustees

The Trustees who served during the year to 31 January 2022 are as follows:

Keith Hayes (appointed 23 October 2021)
Gareth Jones
Elisabeth Mann
David Mitchell (resigned 23 October 2021)
Daniel Poulson
Keith Theobald
David Ventry

Company Secretary: Andrew Simner

Chief Financial Officer: Garry Mumford

Recruitment and Appointment of New Trustees

Trustees are appointed in accordance with the Company's Articles of Association as approved by the Charity Commission. The majority of the Trustees are appointed by and from the Council of the Talyllyn Railway Preservation Society and as such have considerable experience of working with the existing trustees.

Induction and Training of Trustees

New trustees are provided with information on their role and responsibilities as a trustee, together with a copy of the Memorandum and Articles of Association and the latest Report and Financial Statements. Trustees are kept up to date as appropriate with developments within the charitable sector.

Related Parties

Trustees are obliged to disclose any related parties or conflicts of interest and may not take part in any vote at meetings which involves decisions being made in respect of agreements or otherwise with these parties.

Key Management Personnel

The charity considers its key management personnel to be the Trustees, the Company Secretary and the Chief Financial Officer. The Trustees and Officers are all volunteers and receive no remuneration from the Company; no Trustee was reimbursed expenses in the year (2020: £Nil). It has no paid employees.

Risk Management

The Trustees are confident that the major financial and non-financial risks faced by the organisation are being suitably managed with systems and procedures in place to address and mitigate these risks. The charity's risks are managed by careful maintenance of its fixed assets, conservative investment of funds in hand and only making grants from those funds. A safeguarding policy is in force.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Talyllyn Holdings 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 the 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 Group and of the incoming resources and application of resources, including income and expenditure, of the charitable Company and Group 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable Company and Group will continue in business.

TALYLLYN HOLDINGS LIMITED
REPORT AND ACCOUNTS TO 31 JANUARY 2022
TRUSTEES' REPORT

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable Company and Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as we are aware:

- There is no relevant audit information of which the charitable Company's and Group's auditor is unaware; and
- 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.

The Trustees reserve the right on a voluntary basis under Companies Act Section 454 to amend these financial statements if they subsequently prove to be defective.

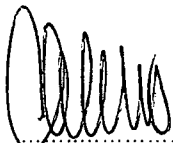
AUDITORS

A resolution to reappoint McBrides Accountants LLP as auditors will be proposed at the Annual General Meeting in accordance with Section 485 of the Companies Act 2006.

SMALL COMPANY EXEMPTIONS

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the Board of Trustees on 19 August 2022 and signed on its behalf by:



.....
Chair of Trustees
David Ventry

TALYLLYN HOLDINGS LIMITED

REPORT AND ACCOUNTS TO 31 JANUARY 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES

Opinion

We have audited the financial statements of Tallylyn Holdings Limited (the 'charitable Company') for the year ended 31 January 2022 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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 Group's and the parent charitable Company's affairs as at 31 January 2022 and of the Group's 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 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 directors' 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 entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Company law purposes, 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.

TALYLLYN HOLDINGS LIMITED**REPORT AND ACCOUNTS TO 31 JANUARY 2022****INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES****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 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; or
- 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 Trustees' 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 6 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's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

Discussions were held with, and enquiries made of, management and those charged with governance with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards and Charity Law
- those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include compliance with the charitable objectives, public benefit, fundraising regulations and health and safety legislation.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

TALYLLYN HOLDINGS LIMITED

REPORT AND ACCOUNTS TO 31 JANUARY 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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. 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.



Andrew Warren (Senior Statutory Auditor)
For and on behalf of McBrides Accountants LLP, Statutory Auditor
Nexus House
Cray Road
Sidcup
Kent
DA14 5DA

Date:

31/8/22

TALYLLYN HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JANUARY 2022
(Including the Income and Expenditure Account)

	Notes	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
INCOME					
Donations, subscriptions and legacies	2	332,234	174,664	506,898	790,820
Income from charitable activities					
Railway		640,077	-	640,077	251,177
Income from other trading activities					
Shop		157,075	-	157,075	94,332
Catering		346,439	-	346,439	155,272
Other Income	2a	99,525	-	99,525	7,248
Income from investments					
Bank interest		11	-	11	547
Total income		1,575,361	174,664	1,750,025	1,299,396
EXPENDITURE					
Expenditure on raising funds					
Commercial trading operations	3	408,848	-	408,848	230,515
Expenditure on charitable activities	3	677,236	294,586	971,822	798,545
Total expenditure		1,086,084	294,586	1,380,670	1,029,060
Net movement in funds		489,277	(119,922)	369,355	270,336
Funds balances brought forward		1,653,344	1,240,730	2,894,074	2,623,738
Transfer of fund balances		(2,464)	2,464	-	-
Fund balances carried forward		2,140,157	1,123,272	3,263,429	2,894,074

All the above results are derived from continuing activities. There are no other gains or losses other than those shown above.

The notes on pages 15 to 25 form an integral part of these financial statements

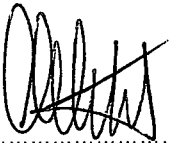
TALYLLYN HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31 JANUARY 2022

	Notes	£	2022 £	2021 £
FIXED ASSETS				
Tangible fixed assets	9		1,586,690	1,582,826
Heritage assets	10		379,953	395,809
			<u>1,966,643</u>	<u>1,978,635</u>
CURRENT ASSETS				
Stocks and stores	12	141,083		127,112
Debtors	13	77,994		22,881
Cash at bank		<u>1,178,323</u>		<u>890,124</u>
		1,397,400		1,040,117
CREDITORS: Amounts falling due within one year	14	<u>(100,614)</u>		<u>(124,678)</u>
NET CURRENT ASSETS			1,296,786	915,439
NET ASSETS			<u>3,263,429</u>	<u>2,894,074</u>
FUND BALANCES				
Restricted funds	16		1,123,272	1,240,730
Unrestricted funds	16		2,140,157	1,653,344
			<u>3,263,429</u>	<u>2,894,074</u>

Under the Companies Act 2006, s454, on a voluntary basis, the directors can amend these financial statements if they subsequently prove to be defective.

The accounts were approved by the Board of Trustees on 19th AUGUST 2022 and signed by:



David Ventry



Elisabeth Mann

The notes on pages 15 to 25 form an integral part of these financial statements

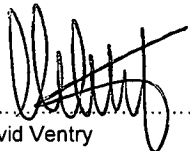
TALYLLYN HOLDINGS LIMITED


BALANCE SHEET AS AT 31 JANUARY 2022

	Notes	£	2022 £	2021 £
FIXED ASSETS				
Tangible fixed assets	9		480,432	467,174
			<u>480,432</u>	<u>467,174</u>
CURRENT ASSETS				
Debtors	13	38,135		18,040
Cash at bank		<u>796,490</u>		<u>667,894</u>
		834,625		685,934
CREDITORS: Amounts falling due within one year	14	<u>(14,186)</u>		<u>(74,186)</u>
NET CURRENT ASSETS			820,439	611,748
NET ASSETS			<u>1,300,871</u>	<u>1,078,922</u>
FUND BALANCES				
Restricted funds			38,174	27,812
Unrestricted funds			1,262,697	1,051,110
			<u>1,300,871</u>	<u>1,078,922</u>

Under the Companies Act 2006, s454, on a voluntary basis, the directors can amend these financial statements if they subsequently prove to be defective.

The accounts were approved by the Board of Trustees on 19th August 2022 and signed by:


.....
David Ventry


.....
Elisabeth Mann

TALYLLYN HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS

14.

	2022	2021
	£	£
Reconciliation of net movement in funds to new cash flow from operating activities		
Net movement in funds	369,355	270,336
Depreciation	81,026	74,005
Decrease/(increase) in stock	(13,971)	(10,365)
Decrease/(increase) in debtors	(55,113)	102,051
Increase/(decrease) in creditors	(24,064)	(23,101)
Bank interest receivable	(11)	(547)
	<hr/>	<hr/>
Net cash inflow from operating activities	357,222	412,379
Cashflow from investing activities		
Bank interest received	11	547
Proceeds from disposal of tangible assets	-	168,000
Acquisition of tangible assets	(69,034)	(56,124)
	<hr/>	<hr/>
	(69,023)	112,423
	<hr/>	<hr/>
Change in cash and cash equivalents for the year	288,199	524,802
Cash and cash equivalents at the beginning of the year	890,124	365,322
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	1,178,323	890,124
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 15 to 25 form an integral part of these financial statements

TALYLLYN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JANUARY 2022

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP (FRS 102)) and applicable regulations.

The financial statements have been prepared to show a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

The following are the accounting policies which have been applied in dealing with material items:

a) Going concern

The trustees have been encouraged to see trading levels recover as the Covid-19 restrictions were lifted during the year and the railway was able to operate for much greater periods than in the previous year. The group also continued to take advantage of the government schemes available in the form of the Coronavirus Job Retention Scheme and various recovery grants. Looking ahead to the new financial year, Covid-19 restrictions have all but been removed meaning that the railway has been able to operate in its full capacity and the trustees anticipate trading to recover fully and return to pre-pandemic levels. In light of this and with the continued support of our donors, the trustees have confidence that the charity remains a going concern for the foreseeable future.

b) Group accounts

The financial statements consolidate the results of the charity and its wholly owned subsidiary (Talyllyn Railway Company) on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because Talyllyn Holdings Limited has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

c) Funds structure

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed.

Further details of each fund are disclosed in the notes.

d) Incoming resources

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

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

Interest on funds held on deposit is included upon notification of the interest paid or payable by the bank.

TALYLLYN HOLDINGS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JANUARY 2022

1. ACCOUNTING POLICIES (Continued)

e) Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities. For more information on this allocation refer to the note below.

f) Allocation of support and governance costs

Support costs and governance costs have been differentiated from other costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees.

Governance costs and support costs relating to charitable activities have been apportioned appropriately. The allocation of support and governance costs is analysed in the notes.

g) Reserves

The regular, unrestricted income is sufficient to cover the day to day running of the charity.

The agreed reserve policy for 2020/21 was to have available a minimum of £500,000 to £900,000 in unrestricted funds. Based on the risk profile of the income and expenditure, this was deemed an appropriate amount to cover any sudden increases in expenditure, or decreases in income.

Any unrestricted funds held over and above this are regularly monitored with the intention of using them to forward the charity's objectives.

The reserve policy is regularly assessed by the Trustees for appropriateness.

h) Tangible fixed assets

All assets costing more than £1,000 are capitalised at cost.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognized as impairments. Impairment losses are recognised in the Consolidated Statement of Financial Activities.

Tangible fixed assets are measured at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Land and buildings	Over 50 years
Plant, machinery, fixtures & fittings	Over 10 years
Commercial operations, office and IT	Over 5 years

i) Heritage assets

The items included within heritage assets relate to the Talylyn Railway and were acquired by the charity in accordance with its aim to preserve and maintain the railway.

Heritage assets are measured at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Permanent way and infrastructure	Over 40 years
Locomotives	Over 20 years
Rolling stock	Over 40 years

TALYLLYN HOLDINGS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JANUARY 2022

1. ACCOUNTING POLICIES (Continued)

j) Stock

Stocks consist of goods to be sold in the shop and café as well as engineering and consumable items for use on the railway and are valued at the lower of cost and net realizable value.

At each reporting date, stocks are assessed for impairment. If stocks are impaired, the impairment loss is recognised immediately in the Statement of Financial Activities.

k) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

l) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition.

m) Creditors and provisions

Creditors and provisions are recognised 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 recognised at transaction value.

n) Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement as financial assets or financial liabilities. The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value.

o) Funds

The general fund comprises those monies, which may be used to meet charitable objectives at the discretion of the Trustees.

The restricted fund represents those monies that can only be used for a particular purpose within the objectives of the charity. Restrictions arise when specified by the donor or when funds are raised for a particular restricted purpose.

p) Key judgements and estimations

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

TALYLLYN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2022

2. ANALYSIS OF INCOMING RESOURCES

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
General donations and legacies	291,000	24,452	315,452	401,832
Tax recoverable	41,234	-	41,234	28,570
Grants	-	150,212	150,212	360,418
	<u>332,234</u>	<u>174,664</u>	<u>506,898</u>	<u>790,820</u>

2a. OTHER INCOME

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Other income	99,525	-	99,525	7,248
	<u>99,525</u>	<u>-</u>	<u>99,525</u>	<u>7,248</u>

Other income includes £89,470 (2021: £Nil) in relation to business interruption insurance claims.

3. CHARITABLE EXPENSES

	Raising funds	Governance	Charitable activities	Total 2022	Total 2021
Staff costs (Note 6)	184,510	-	458,890	643,400	571,870
Support costs (Note 4)	18,835	-	356,644	375,479	268,896
Cost of goods sold	205,503	-	-	205,503	108,361
Railway operating costs	-	-	143,704	143,704	67,617
Auditors' remuneration for all services	-	12,584	-	12,584	12,316
	<u>408,848</u>	<u>12,584</u>	<u>959,238</u>	<u>1,380,670</u>	<u>1,029,060</u>

4. SUPPORT COSTS

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Rent, Rates and Insurance	28,953	-	28,953	26,216
Electricity, Water and Gas	51,636	-	51,636	30,724
Printing and Stationery	4,768	-	4,768	4,221
Advertising and Publicity	45,409	-	45,409	23,406
Postage and Telephone	21,727	-	21,727	18,878
Bank and Credit Card charges	18,807	-	18,807	10,053
Cleaning and first aid	10,915	-	10,915	7,735
Accountancy software & systems	21,100	-	21,100	19,800
Legal Fees	16,321	-	16,321	10,943
HR Consultancy	2,358	-	2,358	1,143
HRA subscription & meeting expenses	1,971	-	1,971	1,097
Grants payable	10,174	-	10,174	31
Mèssròom supplíes ánd free staff/volunteer drinks	2,676	-	2,676	908
Refuse collection and disposal	7,453	-	7,453	5,243
Premises Licences	250	-	250	250
Security and Alarm	4,671	-	4,671	3,853
Consumables and disposables	9,775	-	9,775	4,019
Computer Running Expenses	22,859	-	22,859	12,937
Miscellaneous	12,630	-	12,630	13,434
Depreciation	81,026	-	81,026	74,005
	<u>375,479</u>	<u>-</u>	<u>375,479</u>	<u>268,896</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2022

5. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £
Donations, subscriptions and legacies	254,659	536,161	790,820
Income from charitable activities			
Railway	251,177	-	251,177
Income from other trading activities			
Shop	94,332	-	94,332
Catering	155,272	-	155,272
Other income	7,248	-	7,248
Income from investments	547	-	547
TOTAL INCOME	763,235	536,161	1,299,396
Expenditure on raising funds			
Commercial trading operations	230,515	-	230,515
Expenditure on charitable activities	329,917	468,628	798,545
TOTAL EXPENDITURE	560,432	468,628	1,029,060
Net movement in funds	202,803	67,533	270,336

6. STAFF COSTS

	2022 £	2021 £
Wages & salaries	570,651	497,720
National insurance	33,173	30,718
Pension costs	28,892	26,204
Other costs (Travelling and training costs etc)	10,684	17,228
	<u>643,400</u>	<u>571,870</u>

No employee earned over £60,000 (including taxable benefits but excluding employer pension contributions) during the year.

The average number of employees during the year was as follows:

	2022	2021
Catering	18	16
Engineering	9	10
Shop	2	3
Railway operations and administration	8	6
Museum	2	-
	<u>39</u>	<u>35</u>

It should be noted that the average number of employees includes all employees regardless of hours worked and is not stated on a full time equivalent basis. The numbers are therefore highly distorted by seasonal staff working short hours.

7. TRANSACTIONS WITH TRUSTEES

The trustees all give freely of their time and expertise without any form of remuneration or other benefit in cash or kind.

During the year no trustee received any remuneration or expenses.

TALYLLYN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2022

8. FEES FOR AUDIT OF ACCOUNTS

	2022 £	2021 £
Independent auditor's fees	9,000	9,000
	<u>9,000</u>	<u>9,000</u>

9. FIXED ASSETS

GROUP

	Land & buildings £	Plant, machinery, fixtures & fittings £	Motor vehicles £	Commercial operations, Office and IT £	Total £
Cost					
Brought forward	2,003,007	130,526	9,250	31,384	2,174,167
Additions	21,500	7,631	14,995	24,908	69,034
Disposals	-	-	-	-	-
Carried forward	<u>2,024,507</u>	<u>138,157</u>	<u>24,245</u>	<u>56,292</u>	<u>2,243,201</u>
Depreciation					
Brought forward	534,407	42,929	2,312	11,693	591,341
Charge	38,589	13,307	3,100	10,174	65,170
Elimination on disposal	-	-	-	-	-
Carried forward	<u>572,996</u>	<u>56,236</u>	<u>5,412</u>	<u>21,867</u>	<u>656,511</u>
NBV at 31 January 2022	<u>1,451,511</u>	<u>81,921</u>	<u>18,833</u>	<u>34,425</u>	<u>1,586,690</u>
NBV at 31 January 2021	<u>1,468,600</u>	<u>87,597</u>	<u>6,938</u>	<u>19,691</u>	<u>1,582,826</u>

CHARITY

	Land & buildings £	Total £
Cost		
Brought forward	485,696	485,696
Additions	21,500	21,500
Disposals	-	-
Carried forward	<u>507,196</u>	<u>507,196</u>
Depreciation		
Brought forward	18,522	18,522
Charge	8,242	8,242
Elimination on disposal	-	-
Carried forward	<u>26,764</u>	<u>26,764</u>
NBV at 31 January 2022	<u>480,432</u>	<u>480,432</u>
NBV at 31 January 2021	<u>467,174</u>	<u>467,174</u>

TALYLLYN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2022

10. HERITAGE ASSETS

GROUP

	Permanent way and infrastructure £	Locomotives & rolling stock £	Total £
Cost			
Brought forward	181,641	262,194	443,835
Additions	-	-	-
Disposals	-	-	-
Carried forward	<u>181,641</u>	<u>262,194</u>	<u>443,835</u>
Depreciation			
Brought forward	17,514	30,512	48,026
Charge	4,541	11,315	15,856
Elimination on disposal	-	-	-
Carried forward	<u>22,055</u>	<u>41,827</u>	<u>63,882</u>
NBV at 31 January 2022	<u>159,586</u>	<u>220,367</u>	<u>379,953</u>
NBV at 31 January 2021	<u>164,127</u>	<u>231,682</u>	<u>395,809</u>

Summary analysis of Heritage Asset transactions

	2022	2021	2020	2019
Additions				
Assets purchased - development	-	38,042	7,798	87,883
Total additions	<u>-</u>	<u>38,042</u>	<u>7,798</u>	<u>87,883</u>
Depreciation				
Assets purchased - development	15,856	15,540	15,094	11,771
Sub total	<u>15,856</u>	<u>15,540</u>	<u>15,094</u>	<u>11,771</u>

TALYLLYN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2022

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade creditors	51,501	27,716	-	-
Accruals & deferred income	47,727	35,700	13,000	13,000
Other creditors	1,386	61,262	1,186	61,186
	<u>100,614</u>	<u>124,678</u>	<u>14,186</u>	<u>74,186</u>

15. DEFERRED INCOME

	£
Brought forward at 1 February 2021	11,787
Amount released to income earned from charitable activities	(1,961)
Amounts released to income earned from trading activities	(243)
Amounts deferred in the year for charitable activities	8,809
Amounts deferred in the year for trading activities	1,087
	<u>19,479</u>

16. FUNDS

Statement of funds - current year

	Balance at 1 February 2021 £	Income £	Transfer £	Expenditure £	Balance at 31 January 2022 £
Unrestricted funds					
General funds	1,599,340	1,575,361	(2,464)	(1,086,084)	2,086,153
Designated funds	54,004	-	-	-	54,004
	<u>1,653,344</u>	<u>1,575,361</u>	<u>(2,464)</u>	<u>(1,086,084)</u>	<u>2,140,157</u>
Restricted funds					
Wharf Building	1,001,426	-	-	(30,346)	971,080
Loco. No.3 "Sir Haydn"	84,270	-	-	(7,977)	76,293
Corris Coach	38,042	-	-	(317)	37,725
Tracksiders Fund	628	-	-	-	628
Open Carriages Appeal	-	35	2,464	(2,499)	-
Ty Dŵr Appeal	1,497	6,082	-	(3,000)	4,579
2018 AGM Strimmers Etc. Appeal	319	-	-	-	319
2019 AGM Carriage Heating Appeal	2,585	-	-	-	2,585
2020 AGM Loco injectors Appeal	5,713	-	-	-	5,713
2021 AGM.Corris Van Appeal	-	3,836	-	(3,250)	586
Carbon Offset Donations	-	1,271	-	-	1,271
Graham Guilford Fund	16,597	5,230	-	(174)	21,653
Virtual Visit Appeal	438	-	-	-	438
Tamping Machine Appeal	35	7,998	-	(7,631)	402
	<u>1,151,550</u>	<u>24,452</u>	<u>2,464</u>	<u>(55,194)</u>	<u>1,123,272</u>
Restricted grants					
Culture Recovery Fund - Round 1	89,180	-	-	(89,180)	-
Gwynedd Council Covid Grant	-	14,000	-	(14,000)	-
Coronavirus Job Retention Scheme	-	36,212	-	(36,212)	-
Culture Recovery Fund - Round 2	-	100,000	-	(100,000)	-
	<u>89,180</u>	<u>150,212</u>	<u>-</u>	<u>(239,392)</u>	<u>-</u>
	<u>1,240,730</u>	<u>174,664</u>	<u>2,464</u>	<u>(294,586)</u>	<u>1,123,272</u>
	<u>2,894,074</u>	<u>1,750,025</u>	<u>-</u>	<u>(1,380,670)</u>	<u>3,263,429</u>

TALYLLYN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2022

The designated unrestricted fund is allocated funds towards the Wharf Building restricted fund.

The fund for the Wharf Building made possible the construction of a large building accommodating the Narrow Gauge railway Museum, Shop and Catering operations and offices, completed in 2005.

The fund for Loco No.3 "Sir Haydn" contributed to the comprehensive rebuild and refurbishment of this historic locomotive which was completed in 2018.

The fund for the Corris Coach facilitated the extensive refurbishment of the Corris Coach completed in 2021.

The Graham Guilford Fund was created through a legacy from the late Graham Guilford to benefit young volunteers. It is now used and administered to provide grants to young people in order that they may spend time volunteering on the railway which might otherwise not be financially possible. It is boosted by new donations from time to time.

Statement of funds - prior year

	Balance at 1 February 2020 £	Income £	Transfer £	Expenditure £	Balance at 31 January 2021 £
Unrestricted funds					
General funds	1,414,373	763,235	(17,836)	(560,432)	1,599,340
Designated funds	54,004	-	-	-	54,004
	<u>1,468,377</u>	<u>763,235</u>	<u>(17,836)</u>	<u>(560,432)</u>	<u>1,653,344</u>
Restricted funds					
Wharf Building	1,031,772	-	-	(30,346)	1,001,426
Loco. No.3 "Sir Haydn"	92,247	-	-	(7,977)	84,270
Corris Coach	-	38,042	-	-	38,042
Tracksiders Fund	628	-	-	-	628
Open Carriages Appeal	-	1,300	4,302	(5,602)	-
Corris Carriage appeal	9,705	195	13,534	(23,434)	-
Ty Dŵr Appeal	1,477	20	-	-	1,497
2018 AGM Strimmers Etc. Appeal	319	-	-	-	319
2019 AGM Carriage Heating Appeal	2,585	-	-	-	2,585
2020 AGM Loco injectors Appeal	-	5,713	-	-	5,713
Graham Guilford Fund	16,628	-	-	(31)	16,597
Virtual Visit Appeal	-	130,438	-	(130,000)	438
Tamping Machine Appeal	-	35	-	-	35
	<u>1,155,361</u>	<u>175,743</u>	<u>17,836</u>	<u>(197,390)</u>	<u>1,151,550</u>
Restricted grants					
Culture Recovery Fund - Round 1	-	150,000	-	(60,820)	89,180
Coronavirus Job Retention Scheme	-	164,718	-	(164,718)	-
National Lottery Heritage Emergency Fund	-	45,700	-	(45,700)	-
	<u>-</u>	<u>360,418</u>	<u>-</u>	<u>(271,238)</u>	<u>89,180</u>
	<u>1,155,361</u>	<u>536,161</u>	<u>17,836</u>	<u>(468,628)</u>	<u>1,240,730</u>
	<u>2,623,738</u>	<u>1,299,396</u>	<u>-</u>	<u>(1,029,060)</u>	<u>2,894,074</u>

TALYLLYN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2022

Analysis of funds between net assets - current year

	Fixed Assets £	Net Current Assets £	Long Term Liabilities £	Total £
Unrestricted funds	957,838	1,182,319	-	2,140,157
Restricted funds	1,008,805	114,467	-	1,123,272
Carried forward	<u>1,966,643</u>	<u>1,296,786</u>	-	<u>3,263,429</u>

Analysis of funds between net assets - prior year

	Fixed Assets £	Net Current Assets £	Long Term Liabilities £	Total £
Unrestricted funds	939,167	714,177	-	1,653,344
Restricted funds	1,039,468	201,262	-	1,240,730
Carried forward	<u>1,978,635</u>	<u>915,439</u>	-	<u>2,894,074</u>

17. TAXATION

The railway company is recognised by HMRC as having a charitable purpose and therefore is not liable to income tax or corporation tax on income derived from charitable activities, as it falls within the various exemptions available to registered charities.

18. RELATED PARTY TRANSACTIONS

During the year the group received a donation from The Talylyn Railway Preservation Society of £50,000 (2021: £150,982).

19. MEMBERS' LIABILITY

Talylyn Holdings Limited is a registered company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £5 towards the assets of the charitable company in the event of winding up.

20. ULTIMATE CONTROLLING PARTY

Talylyn Holdings Limited is controlled by the right of appointment of the majority of directors by the Talylyn Railway Preservation Society.

In the opinion of the Trustees there is no ultimate controlling party of the charity.

TALYLLYN HOLDINGS LIMITED

England & Wales - Charity number 1089053

Accounts

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2021

COMPANY NUMBER: 00511996

CHARITY NUMBER: 1089053

TALYLLYN HOLDINGS LIMITED
REPORT AND ACCOUNTS TO 31 JANUARY 2021
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TALYLLYN HOLDINGS LIMITED
REPORT AND ACCOUNTS TO 31 JANUARY 2021
REFERENCE AND ADMINISTRATIVE INFORMATION

Directors and Trustees

R.G.W. Jones
E.J. Mann
D.J. Mitchell
D.H.W Poulson
C.K. Theobald
D.G. Ventry

Company Secretary

A.J. Simner

Registered Office

Wharf Station
Tywyn
Gwynedd
LL36 9EY

Auditors

McBrides Accountants LLP
Nexus House
Cray Road
Sidcup
Kent
DA14 5DA

TALYLLYN HOLDINGS LIMITED
REPORT AND ACCOUNTS TO 31 JANUARY 2021
TRUSTEES' REPORT

INTRODUCTION

The Trustees, who are also the Directors of the Company for the purposes of the Companies Act, submit their Annual Report and Financial Statements for the year ended 31st January 2021. The consolidated financial statements comply with current statutory requirements, the Memorandum and Articles of Association and 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)).

PRINCIPAL ACTIVITY

The Objects of the Company include the preservation of the historic structures and equipment of the Talylyn Railway and the promotion of public knowledge of and access to them. To this end it is the beneficial owner of all the shares in the Talylyn Railway Company and the owner or lessee of various assets peripheral to that ownership. The principal activity of the subsidiary is that of operating and maintaining the Talylyn Railway.

The strategies employed to achieve these objectives are to:

- retain the beneficial ownership of all the shares in the Talylyn Railway Company;
- control the Railway Company by the election of its Directors in accordance with established custom;
- raise money from individuals and organisations;
- make grants in accordance with its Objects;
- encourage volunteers on the Railway, in particular by the provision of accommodation;
- make loans to the Railway Company when required by exceptional circumstances.

ACHIEVEMENTS AND ACTIVITIES

2020 was a very strange year, not just for the Railway but for the whole world. The Covid-19 pandemic had a profound effect, with the whole country locked down for much of the year. As a result of this, we were unable to operate as usual for much of the season.

The summer re-opening was very successful, and was achieved after much hard work behind the scenes to ensure that the Railway was ready to resume services safely. The Railway ran 'shakedown' trains for members and used the experience to make small modifications to the new operating procedures. These procedures were also reviewed and amended in the light of experience with passengers.

All was looking well, with bookings being taken for the Christmas trains, when another lockdown was imposed at short notice. Nevertheless, at the end of the financial year the Railway was in a good position to re-open at the earliest opportunity.

Financially, the year could have been a disaster, but thanks to the generosity of members, successful applications for support grants, and strict control of expenditure, the Railway remains on a sound financial basis, although there will no doubt be further issues to be overcome as the virus takes its course.

As a consequence, volunteers have had much reduced opportunities for working, and training has had to be suspended until conditions change. This has however resulted in the development of online training, which has been very successful and which will be a great asset to us in the future.

We have also been unable to hold meetings in the usual manner, and again online methods have been used. These too will be useful in the future as we seek to reduce our own carbon footprints and unnecessary travel – they also mean that meetings can be called at shorter notice if needs be, so we can respond more swiftly if circumstances demand.

The development of the Pendre site has also benefited from the hiatus, as much work has been undertaken to review and improve the plans in the time when little else could be done.

Whilst many activities have been suspended, the Railway remains in good shape, and was ready to run passenger trains from 1st May 2021, as soon as permitted, to celebrate the Society's 70th year of operation.

Traffic & Operating

The Covid-19 pandemic resulted in a period of enforced closure, as the Welsh Government placed restrictions upon volunteering, travel and the tourism & hospitality sector. Consequently, the year ending 31st January 2021 saw 25,633 passenger journeys, a decrease of 73% on the previous year. Public bookings decreased by 72% to 11,234.

Trains ran as usual for the February half-term holiday but the Covid-19 lockdown shut the Railway from mid-March. Passenger services resumed on 1st August with a single trainset operating two round trips a day. A week later this was increased to two trainsets and four trips. Screens were installed to isolate compartments usually undivided above the seat backs, but even so occupation was only allowed of alternate compartments. Compartments were booked as a

TALYLLYN HOLDINGS LIMITED
REPORT AND ACCOUNTS TO 31 JANUARY 2021
TRUSTEES' REPORT

whole to allow households to avoid contact with others. The reduced train service therefore easily filled up but was not increased, allowing social distancing to be maintained during the Abergynolwyn break. Passengers could only join trains at Wharf, minor stations were closed and passengers alighting at Dolgoch had to board the return working of the same train. Services continued until 23rd October but the misalignment of the Welsh and English lockdowns effectively prevented running in November and only a few days were possible in December before restrictions returned.

The Traffic and Operating Committee met twice during the year. On the first occasion in March 2020, the Coronavirus outbreak was gaining increasing prominence and normality was ebbing away. However, despite this - and as part of a wide consultation process - all elected members of T&OC, together with all Inspectors, Managers and others involved in the updating of the new Rule Book, received the first draft for their comments. Committee members were also kept up-to-date with the 'Managing Competencies during Covid-19' documentation, ensuring that all volunteers would be able to maintain their familiarity with the various operating tasks they undertook during this very unusual year.

Due to Covid-19, elections for the Committee did not take place. There is currently a review being undertaken of its role. At its inception, it was the conduit between volunteers and those managing the Railway, but since then there have been many changes to the way the Railway is managed, including the appointment of Locomotive, Traffic and Signalling Inspectors and Controller Assessors who are often now often regarded by volunteers to be the initial point of contact if there is an issue to raise. We look forward to more positive times in 2021.

Shop and Catering

The Shop and Catering activities of the Talylyn Railway Company are important in generating a surplus to further the charitable objectives of Talylyn Holdings. During the year they became particularly important, as they were the only part of the organisation legally allowed to trade at times due to Government restrictions related to Covid-19. The Company had to adapt the Catering service to what was possible, safe and legal in a constantly changing environment. Following the initial lockdown, the Catering provision returned with outdoor dining only, utilising marquees, the platform canopy and open carriages for cover. Extensive investments in safety screens, partially funded with Government grants, allowed indoor dining to return, with restrictions on capacity. Despite these measures, and participation in the Government's 'Eat out to help out' scheme, Catering revenue was 58% lower than the prior year.

The Shop was more successful, primarily as the online shop was able to continue to trade and rapidly expanded its range from a few products to cover the majority of the inventory available for mail order. With new items and regular promotion, the revenue generated by the Shop ended only 44% down on prior year, and with strong margins was able to generate an excellent level of profit.

Engineering

The Company's Object of the preservation, restoration, maintenance and protection of the structures, rolling stock, plant, equipment and artefacts of the Talylyn Railway is largely an engineering activity carried out by the Talylyn Railway Company with the aid of grants from the Company.

As a direct response to the Covid-19 pandemic, the Railway Company utilized Government support and furloughed many of its engineering staff during the year. Consequently, the priority of the remaining staff was to ensure essential maintenance was completed, and a number of other projects were deferred. These included the ten-yearly overhaul of locomotive No. 1 Talylyn and the construction of the first new open carriage. Locomotive No. 6 Douglas was put into long term storage, with locomotives 2, 3, 4 and 7 being used during the much-shortened operating season. Coach No. 17 (ex-Corris Railway) returned to the Railway, its body repairs having been completed, and was placed on its overhauled bogies. At the year-end it was available for service, with some decorative work outstanding. Wagon overhauls have continued when possible, together with work on ex-Corris Van 6.

The Covid-19 pandemic also prevented volunteers from contributing to engineering projects for much of the year. Only one Outdoor Week was held, together with some Long Outdoor Weekends. This allowed 10 lengths of track below Abergynolwyn to be re-railed and re-sleepered, as well as 2 lengths being re-sleepered at the bottom of Doldeheuwydd Bank. As an essential task, all 4 operating locos received their usual winter maintenance, but this had to be undertaken without the input from the usual volunteer-led Locomotive Working Parties.

The restrictions changed throughout the year, and after the first lockdown much work was undertaken to get the Railway back into good condition prior to re-opening in the summer. Vegetation was cut back, track and structure inspections completed, and equipment tested and checked over. Locomotives had to be readied for use and all braking systems received their required inspections.

Tree maintenance along the lineside, hedge-laying at Rhydyronen and vegetation management, together with much gardening, was still undertaken, mainly by a group of volunteers living locally to the Railway and working within the Welsh Government Covid Regulations. We have welcomed a number of new volunteers from the local area in the last few months and their assistance has been much appreciated by the permanent staff.

TALYLLYN HOLDINGS LIMITED
REPORT AND ACCOUNTS TO 31 JANUARY 2021
TRUSTEES' REPORT

Health & Safety

A new Safety Management System (SMS) was approved by the Board. The previous one had become out of date. The SMS describes how we manage safety, what we do and who is responsible. It did not introduce any changes to existing practices.

The reduced train service and furloughing of employees due to the Covid-19 pandemic had a significant effect on reducing the numbers of accidents and incidents compared to previous years. Changed practices also had an effect, particularly locking of carriage doors and the closure of the playground at Abergynolwyn. There were no reportable incidents.

In order to resume operations under pandemic conditions, significant work was carried out in the production and communication of Risk Assessments, Briefing Notes, and changes to practices. Social distancing, sanitizing, personal protective equipment, and limits on the numbers of people in enclosed spaces were introduced. The numbers of volunteers and passengers were restricted to minimise person to person contact. Competence and fitness of staff were ensured by mentoring them on their first day of attendance. The measures were well received by our visitors.

Before resuming passenger operation, a Recovery Plan, following Guidance from the Office of Rail and Road and the Heritage Railway Association, was implemented. This enabled the Board to be assured that all necessary actions had been taken before making the decision to re-open.

Heritage

Various heritage projects were postponed during the past year, as the Railway's resources have been constrained by Government restrictions on volunteering and time has been dedicated to responding to the immediate situation.

However, there has been progress on a number of fronts. Work continued in connection with the bid for World Heritage Status for the North Wales Slate Landscape of which the Railway is a part. In October the Railway hosted a visit of the inspector whose report to UNESCO will be a major factor in the success or otherwise of the bid.

Work continued with the reconstruction of the watering point at Tŷ Dŵr, although the construction of the slate pillars was delayed due to Covid-19 restrictions. Meanwhile the 'Gate to Adventure' just above Abergynolwyn is beginning to 'weather in'. A standard-gauge wagon has been identified which could be used for the transhipment display on the Wharf edge in Tywyn, but it will need a lot of restoration and may be considered for acquisition in a future period.

The Group has also been involved in advising on the heritage aspects of the major development plans for Wharf and Pendre.

Fundraising

Whilst Fundraising has always been an important activity for the Group, the financial challenges presented by Covid-19 during the year have been unprecedented. Fortunately, the Fundraising achievements were also exceptional. Most notably, with the first lockdown in March 2020 the 'Virtual Visit' Appeal was launched. This finally raised some £131,000, a magnificent achievement.

The on-line event in place of the Society's Annual General Meeting led to a new approach for the AGM Appeal, which was rewarded with £8,000 being raised towards the cost of new injectors for the locomotives. There were also further contributions towards the Corris Coach, Tŷ Dŵr and Open Carriages Appeals.

All this, combined with other donations to the General Fund, means that some £200,000 has been given to the Railway over the past year, and it is testament to the dedication of our supporters, to whom the Group remains ever grateful.

During the year a number of new members were added to the 'Heart of Gold' group of regular donors, and a number of existing members increased their contributions. The annual 'Founders' Day' thank-you to members of this group has had to be cancelled twice now. The Railway has benefited from major grant funding over the year. Grants directly related to the Covid-19 pandemic amounted to over £200,000, including £150,000 from round one of the Cultural Recovery Fund (excluding income from the Coronavirus Job Retention Scheme). The Railway will also receive £300,000 from the Welsh Government Coastal Communities Fund towards the cost of three new bogie carriages. This will need to be matched by a further £150,000 raised by the Railway towards this project. A new Expression of Interest has been accepted by the revised National Lottery Heritage Fund for the Wharf/Pendre redevelopment, and the Railway can now apply for funding to develop the plans further.

The Railway received a few further legacies and we are grateful to all those who have remembered the Railway in their wills.

TALYLLYN HOLDINGS LIMITED
REPORT AND ACCOUNTS TO 31 JANUARY 2021
TRUSTEES' REPORT

KEY PERFORMANCE INDICATORS

The Company is committed to self-evaluation, measuring the organisation both internally and externally. Financial information is presented to the Trustees at every meeting.

PUBLIC BENEFIT

The Trustees have referred to the Charity Commission's guidance on public benefit when reviewing the Company's aims and objects and in planning future activities of the Group. We consider that the Group carries out its charitable activities for the benefit of the general public. The Company makes grants primarily to ensure the survival of the Talylyn Railway which was the earliest narrow-gauge railway constructed with the use of steam haulage and the carriage of passengers envisaged from the outset. The Company also makes grants to individuals who volunteer on the Railway and benefit educationally from the experience and undertakes some direct educational work. Through the Talylyn Railway Company it provides employment in the area, including that of three apprentices learning valuable skills, and aims to reach out to the local community, for example by participating in local events and providing work experience for schools and colleges. Research in North Wales and elsewhere shows that heritage railways provide significant economic advantages to their local areas.

FINANCIAL REVIEW

As noted elsewhere the 2020/21 year was undoubtedly the most unusual in the history of the Railway's since preservation in 1951. The impact of the Covid-19 pandemic on the railways finances was dramatic, making comparison with expected norms impossible and actually pretty meaningless.

With the news that the railway had to cease operating in March 2020 immediately led to cashflow issues as the timing could not have been worse being the lowest point in the annual cash cycle. The Board made available a loan facility to the Talylyn Railway Company of up to £250,000, and by May 2020 £130,000 of this had been drawn upon. Full use was made of the Government Coronavirus Job Retention Scheme ("CJRS") and almost all staff were initially furloughed. As a result, operating costs plummeted with the only continuing income being from the online shop.

As the crisis developed funding from the Welsh Government, the local authority, and the success of the virtual visit appeal all helped to level out the position, and by the time the railway commenced operations again in August 2020 the cash position was manageable although still very uncertain. Operational income from August, together with successful awards from the National Lottery Heritage Fund (£45,700) and the Culture Recovery Fund (£150,000), continuing cost controls and the use of CJRS (total claimed in the year being £164,718) allowed the position to dramatically improve in the latter part of 2020.

The success of the Virtual Visit Appeal allowed this restricted fund to support the railway in this difficult period to be used in effect to repay the £130,000 loan in January 2021.

Ironically, the net effect of all these unique and unusual factors has resulted in the Talylyn Railway Company recording a very rare surplus in the year as shown in note 11. However, this position is distorted as the whole of the Culture Recovery Fund Grant has had to be recognised in the year, yet some £90,000 of expenditure was not completed until after the year end in February and March 2021. The effect of the surplus is to improve cash reserves which places the railway in a much stronger position than may have been feared during 2020, and with the continuing uncertainty in 2021 this helps with resilience.

This has also meant that the expectation that the reserves in the Company might be depleted through the pandemic restrictions had not been the effect and the cash balances held have in fact increased aided by the sale of the properties in Frankwell Street. Members' loans of £60,000 are still held, with the members concerned being content for them to remain whilst uncertainties continue.

RESERVES POLICY

The Trustees continually review the financial performance and outlook and with the Railway Company's management consider the risks surrounding the Railway's core operating and trading activities. The Trustees are confident that they will continue to attract donations, legacies and grants to support the Railway Company's liabilities. The policy is to accumulate funds adequate to cover expenditure which cannot be accurately predicted, taking reasonable account of the Talylyn Railway Company's strategic plans for renewal and enhancement, and to review the level of such reserves regularly.

The unforeseeable requirements resulting from Covid-19 required some recourse to reserves during the year to 31 January 2021, which were subsequently replenished as described in the Financial Review above. Going forward, there remains uncertainty regarding how Covid-19 will impact the Railway's ability to cover future expenditure, given the prevalence of new variants of Covid-19 and the evolving Government restrictions. As at 31 January 2021, the Trustees believe that the level of reserves remain adequate to cover future demands which it is reasonable to anticipate.

TALYLLYN HOLDINGS LIMITED
REPORT AND ACCOUNTS TO 31 JANUARY 2021
TRUSTEES' REPORT

FUTURE PLANS

A Strategy for the Railway for ten years from 2014 was published in December, 2013 and updated in 2016 for the period to 2025. It was not practical to review this in detail in 2020, but the Trustees considered it still appropriate.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Talyllyn Holdings Limited was incorporated in 1952 under the Companies Acts as a Company Limited by Guarantee without share capital (Registration number: 511996) and is governed by its Memorandum and Articles of Association which were adopted on 3rd. October 1952 and updated on 8th. December 1973, 24th. February 1996, 31st. August 2001 and 31st. May 2019. It was registered as a charity on 25th. October 2001 with the Charity Commission for England and Wales (Registration number: 1089053). The ultimate controlling organization is the Talyllyn Railway Preservation Society. The Board met seven times during the year and considered the financial position at each meeting.

Trustees

The Trustees who served during the year to 31 January 2021 are as follows:

Gareth Jones
Elisabeth Mann
David Mitchell
Daniel Poulson
Keith Theobald
David Ventry

Company Secretary: John Robinson (resigned 5 December 2020)
Andrew Simner (appointed 5 December 2020)

Chief Financial Officer: Garry Mumford

Recruitment and Appointment of New Trustees

Trustees are appointed in accordance with the Company's Articles of Association as approved by the Charity Commission. The majority of the Trustees are appointed by and from the Council of the Talyllyn Railway Preservation Society and as such have considerable experience of working with the existing trustees.

Induction and Training of Trustees

New trustees are provided with information on their role and responsibilities as a trustee, together with a copy of the Memorandum and Articles of Association and the latest Report and Financial Statements. Trustees are kept up to date as appropriate with developments within the charitable sector.

Related Parties

Trustees are obliged to disclose any related parties or conflicts of interest and may not take part in any vote at meetings which involves decisions being made in respect of agreements or otherwise with these parties.

Key Management Personnel

The charity considers its key management personnel to be the Trustees, the Company Secretary and the Chief Financial Officer. The Trustees and Officers are all volunteers and receive no remuneration from the Company; no Trustee was reimbursed expenses in the year (2019: £Nil). It has no paid employees.

Risk Management

The Trustees are confident that the major financial and non-financial risks faced by the organization are being suitably managed with systems and procedures in place to address and mitigate these risks. The charity's risks are managed by careful maintenance of its fixed assets, conservative investment of funds in hand and only making grants from those funds. A safeguarding policy is in force.

TALYLLYN HOLDINGS LIMITED
REPORT AND ACCOUNTS TO 31 JANUARY 2021
TRUSTEES' REPORT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Talyllyn Holdings 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 the 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 Group and of the incoming resources and application of resources, including income and expenditure, of the charitable Company and Group 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable Company and Group will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable Company and Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as we are aware:

- There is no relevant audit information of which the charitable Company's and Group's auditor is unaware; and
- 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.

The Trustees reserve the right on a voluntary basis under Companies Act Section 454 to amend these financial statements if they subsequently prove to be defective.

AUDITORS


A resolution to reappoint McBrides Accountants LLP as auditors will be proposed at the Annual General Meeting in accordance with Section 485 of the Companies Act 2006.

SMALL COMPANY EXEMPTIONS

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

29 May 2021

This report was approved by the Board of Trustees on and signed on its behalf by:



.....
 Chair of Trustees

TALYLLYN HOLDINGS LIMITED
REPORT AND ACCOUNTS TO 31 JANUARY 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES

Opinion

We have audited the financial statements of Talyllyn Holdings Limited (the 'charitable Company') for the year ended 31 January 2021 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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 Group's and the parent charitable Company's affairs as at 31 January 2021 and of the Group's 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 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 directors' 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 entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Company law purposes, 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.

TALYLLYN HOLDINGS LIMITED

REPORT AND ACCOUNTS TO 31 JANUARY 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES

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 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; or
- 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 Trustees' 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 6 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's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

Discussions were held with, and enquiries made of, management and those charged with governance with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards and Charity Law
- those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include compliance with the charitable objectives, public benefit, fundraising regulations and health and safety legislation.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

TALYLLYN HOLDINGS LIMITED

REPORT AND ACCOUNTS TO 31 JANUARY 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the

nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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. 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.



Andrew Warren (Senior Statutory Auditor)
For and on behalf of McBrides Accountants LLP, Statutory Auditor
Nexus House
Cray Road
Sidcup
Kent
DA14 5DA

Date: 30 June 2021

TALYLLYN HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JANUARY 2021
(Including the Income and Expenditure Account)

	Notes	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
INCOME					
Donations, subscriptions and legacies	2	254,659	536,161	790,820	522,362
Income from charitable activities					
Railway		251,177	-	251,177	604,660
Income from other trading activities					
Shop		94,332	-	94,332	160,951
Catering		155,272	-	155,272	370,348
Other Income		7,248	-	7,248	5,256
Income from investments					
Bank interest		547	-	547	2,231
Total income		<u>763,235</u>	<u>536,161</u>	<u>1,299,396</u>	<u>1,665,808</u>
EXPENDITURE					
Expenditure on raising funds					
Commercial trading operations	4	230,515	-	230,515	466,665
Expenditure on charitable activities	4	329,917	468,628	798,545	928,633
Total expenditure		<u>560,432</u>	<u>468,628</u>	<u>1,029,060</u>	<u>1,395,298</u>
Net movement in funds		202,803	67,533	270,336	270,510
Funds balances brought forward		1,468,377	1,155,361	2,623,738	2,353,228
Transfer of fund balances		(17,836)	17,836	-	-
Fund balances carried forward		<u>1,653,344</u>	<u>1,240,730</u>	<u>2,894,074</u>	<u>2,623,738</u>

All the above results are derived from continuing activities. There are no other gains or losses other than those shown above.

The notes on pages 15 to 25 form an integral part of these financial statements


TALYLLYN HOLDINGS LIMITED


CONSOLIDATED BALANCE SHEET AS AT 31 JANUARY 2021

	Notes	£	2021 £	2020 £
FIXED ASSETS				
Tangible fixed assets	9		1,582,826	1,791,209
Heritage assets	10		395,809	373,307
			<u>1,978,635</u>	<u>2,164,516</u>
CURRENT ASSETS				
Stocks and stores	12	127,112		116,747
Debtors	13	22,881		124,932
Cash at bank		<u>890,124</u>		<u>365,322</u>
		1,040,117		607,001
CREDITORS: Amounts falling due within one year	14	<u>(124,678)</u>		<u>(147,779)</u>
NET CURRENT ASSETS			915,439	459,222
NET ASSETS			<u>2,894,074</u>	<u>2,623,738</u>
FUND BALANCES				
Restricted funds	16		1,240,730	1,155,361
Unrestricted funds	16		1,653,344	1,468,377
			<u>2,894,074</u>	<u>2,623,738</u>

Under the Companies Act 2006, s454, on a voluntary basis, the directors can amend these financial statements if they subsequently prove to be defective.

The accounts were approved by the Board of Trustees on 29 May 2021, and signed by:


.....
David Ventry

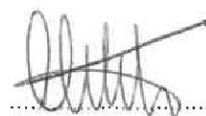

.....
Elisabeth Mann

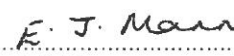
TALYLLYN HOLDINGS LIMITED
BALANCE SHEET AS AT 31 JANUARY 2021

	Notes	£	2021 £	2020 £
FIXED ASSETS				
Tangible fixed assets	9		467,174	643,417
			<u>467,174</u>	<u>643,417</u>
CURRENT ASSETS				
Debtors	13	18,040		93,668
Cash at bank		<u>667,894</u>		<u>342,655</u>
		685,934		436,323
CREDITORS: Amounts falling due within one year	14	<u>(74,186)</u>		<u>(74,187)</u>
NET CURRENT ASSETS			611,748	362,136
NET ASSETS			<u><u>1,078,922</u></u>	<u><u>1,005,553</u></u>
FUND BALANCES				
Restricted funds			27,812	31,343
Unrestricted funds			1,051,110	974,210
			<u><u>1,078,922</u></u>	<u><u>1,005,553</u></u>

Under the Companies Act 2006, s454, on a voluntary basis, the directors can amend these financial statements if they subsequently prove to be defective.

The accounts were approved by the Board of Trustees on 29 May 2021 and signed by:


.....
David Ventry


.....
Elisabeth Mann

TALYLLYN HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS

14.

	2021 £	2020 £
Reconciliation of net movement in funds to new cash flow from operating activities		
Net movement in funds	270,336	270,510
Depreciation	74,005	70,056
Decrease/(increase) in stock	(10,365)	(64,673)
Decrease/(increase) in debtors	102,051	(97,900)
Increase/(decrease) in creditors	(23,101)	64,288
Bank interest receivable	(547)	(2,231)
Net cash inflow from operating activities	412,379	240,050
Cashflow from investing activities		
Bank interest received	547	2,231
Proceeds from disposal of tangible assets	168,000	-
Acquisition of tangible assets	(56,124)	(404,075)
	<u>112,423</u>	<u>(401,844)</u>
Change in cash and cash equivalents for the year	524,802	(161,794)
Cash and cash equivalents at the beginning of the year	365,322	527,116
Cash and cash equivalents at the end of the year	<u>890,124</u>	<u>365,322</u>

The notes on pages 15 to 25 form an integral part of these financial statements

TALYLLYN HOLDINGS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JANUARY 2021

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP (FRS 102)) and applicable regulations.

The financial statements have been prepared to show a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

The following are the accounting policies which have been applied in dealing with material items:

a) Going concern

The trustees have considered the position of the charity, especially in light of the enforced closure of the railway during the Covid-19 pandemic. During March 2020, in response to the COVID-19 outbreak, the government ordered the nation into strict lockdown meaning the railway was to remain closed during this period until further notice. All measures have been taken to reduce the ongoing costs of the charity and to protect its reserves including taking advantage of government schemes such as the Job Retention Scheme. An appeal was launched for donations in light of the lack of trading income and public response was positive. With the railway reopened on a restricted basis from early August and the continued support of our donors, the trustees have confidence that the charity remains a going concern for the foreseeable future.

b) Group accounts

The financial statements consolidate the results of the charity and its wholly owned subsidiary (Talylyn Railway Company) on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because Talylyn Holdings Limited has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

c) Funds structure

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed.

Further details of each fund are disclosed in the notes.

d) Incoming resources

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

Voluntary income is recognised when they have been communicated in writing with notification of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfillment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the bank.

TALYLLYN HOLDINGS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JANUARY 2021

1. ACCOUNTING POLICIES (Continued)

e) Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities. For more information on this allocation refer to the note below.

f) Allocation of support and governance costs

Support costs and governance costs have been differentiated from other costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees.

Governance costs and support costs relating to charitable activities have been apportioned appropriately. The allocation of support and governance costs is analysed in the notes.

g) Reserves

The regular, unrestricted income is sufficient to cover the day to day running of the charity.

The agreed reserve policy for 2020/21 was to have available a minimum of £500,000 to £900,000 in unrestricted funds. Based on the risk profile of the income and expenditure, this was deemed an appropriate amount to cover any sudden increases in expenditure, or decreases in income.

Any unrestricted funds held over and above this are regularly monitored with the intention of using them to forward the charity's objectives.

The reserve policy is regularly assessed by the Trustees for appropriateness.

h) Tangible fixed assets

All assets costing more than £1,000 are capitalised at cost.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognized as impairments. Impairment losses are recognised in the Consolidated Statement of Financial Activities.

Tangible fixed assets are measured at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Land and buildings	Over 50 years
Plant, machinery, fixtures & fittings	Over 10 years
Commercial operations, office and IT	Over 5 years

i) Heritage assets

The items included within heritage assets relate to the Talylyn Railway and were acquired by the charity in accordance with its aim to preserve and maintain the railway.

Heritage assets are measured at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Permanent way and infrastructure	Over 40 years
Locomotives	Over 20 years
Rolling stock	Over 40 years

TALYLLYN HOLDINGS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JANUARY 2021

1. ACCOUNTING POLICIES (Continued)

j) Stock

Stocks consist of goods to be sold in the shop and café as well as engineering and consumable items for use on the railway and are valued at the lower of cost and net realizable value.

At each reporting date, stocks are assessed for impairment. If stocks are impaired, the impairment loss is recognised immediately in the Statement of Financial Activities.

k) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

l) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition.

m) Creditors and provisions

Creditors and provisions are recognised 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 recognised at transaction value.

n) Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement as financial assets or financial liabilities. The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value.

o) Funds

The general fund comprises those monies, which may be used to meet charitable objectives at the discretion of the Trustees.

The restricted fund represents those monies that can only be used for a particular purpose within the objectives of the charity. Restrictions arise when specified by the donor or when funds are raised for a particular restricted purpose.

p) Key judgements and estimations

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

TALYLLYN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2021

2. ANALYSIS OF INCOMING RESOURCES

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
General donations and legacies	226,089	536,161	762,250	509,581
Tax recoverable	28,570	-	28,570	12,781
	<u>254,659</u>	<u>536,161</u>	<u>790,820</u>	<u>522,362</u>

Restricted general donations and legacies includes government grants of £164,718 in respect of the Coronavirus Job Retention Scheme, grant income of £150,000 in respect of the Welsh Government Culture Recovery Grant Scheme and £45,700 in respect of the National Lottery Heritage Emergency Fund. There are no unfulfilled conditions attached to the grants at the year end.

3. CHARITABLE EXPENSES

	Raising funds	Governance	Charitable activities	Total 2021	Total 2020
Staff costs (Note 6)	114,122	-	457,748	571,870	651,621
Support costs (Note 4)	8,032	-	260,864	268,896	337,159
Cost of goods sold	108,361	-	-	108,361	230,090
Railway operating costs	-	-	67,617	67,617	163,403
Auditors' remuneration for all services	-	12,316	-	12,316	13,025
	<u>230,515</u>	<u>12,316</u>	<u>786,229</u>	<u>1,029,060</u>	<u>1,395,298</u>

4. SUPPORT COSTS

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Rent, Rates and Insurance	26,216	-	26,216	30,313
Electricity, Water and Gas	30,724	-	30,724	45,648
Printing and Stationery	4,221	-	4,221	6,728
Advertising and Publicity	23,406	-	23,406	50,240
Postage and Telephone	18,878	-	18,878	15,605
Bank and Credit Card charges	10,053	-	10,053	12,220
Cleaning and first aid	7,735	-	7,735	14,869
Accountancy software & systems	19,800	-	19,800	18,150
Legal Fees	10,943	-	10,943	6,557
HR Consultancy	1,143	-	1,143	600
HRA subscription & meeting expenses	1,097	-	1,097	1,763
Grants payable	31	-	31	436
Staff dinner	-	-	-	1,702
Messroom supplies and free staff/volunteer drinks	908	-	908	2,726
Refuse collection and disposal	5,243	-	5,243	8,386
Premises Licences	250	-	250	250
Security and Alarm	3,853	-	3,853	5,937
Consumables and disposables	4,019	-	4,019	6,752
Computer Running Expenses	12,937	-	12,937	19,089
Miscellaneous	13,434	-	13,434	19,132
Depreciation	74,005	-	74,005	70,056
	<u>268,896</u>	<u>-</u>	<u>268,896</u>	<u>337,159</u>

TALYLLYN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2021

5. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £
Donations, subscriptions and legacies	506,291	16,071	522,362
Income from charitable activities			
Railway	604,660	-	604,660
Income from other trading activities			
Shop	160,951	-	160,951
Catering	370,348	-	370,348
Other income	5,256	-	5,256
Income from investments	2,231	-	2,231
TOTAL INCOME	<u>1,649,737</u>	<u>16,071</u>	<u>1,665,808</u>
Expenditure on raising funds			
Commercial trading operations	466,665	-	466,665
Expenditure on charitable activities	816,428	112,205	928,633
TOTAL EXPENDITURE	<u>1,283,093</u>	<u>112,205</u>	<u>1,395,298</u>
Net movement in funds	<u>366,644</u>	<u>(96,134)</u>	<u>270,510</u>

6. STAFF COSTS

	2021 £	2020 £
Wages & salaries	497,720	562,381
National insurance	30,718	33,674
Pension costs	26,204	26,666
Other costs (Travelling and training costs etc)	17,228	28,900
	<u>571,870</u>	<u>651,621</u>

No employee earned over £60,000 (including taxable benefits but excluding employer pension contributions) during the year.

The average number of employees during the year was as follows:

	2021	2020
Catering	16	23
Engineering	10	11
Shop	3	4
Railway operations and administration	6	7
	<u>35</u>	<u>45</u>

It should be noted that the average number of employees includes all employees regardless of hours worked and is not stated on a full time equivalent basis. The numbers are therefore highly distorted by seasonal staff working short hours.

7. TRANSACTIONS WITH TRUSTEES

The trustees all give freely of their time and expertise without any form of remuneration or other benefit in cash or kind.

During the year no trustee received any remuneration or expenses.

TALYLLYN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2021

8. FEES FOR AUDIT OF ACCOUNTS

	2021 £	2020 £
Independent auditor's fees	9,000	9,000
	<u>9,000</u>	<u>9,000</u>

9. FIXED ASSETS

GROUP

	Land & buildings £	Plant, machinery, fixtures & fittings £	Motor vehicles £	Commercial operations, Office and IT £	Total £
Cost					
Brought forward	2,171,007	118,554	9,250	25,274	2,324,085
Additions	-	11,972	-	6,110	18,082
Disposals	(168,000)	-	-	-	(168,000)
Carried forward	<u>2,003,007</u>	<u>130,526</u>	<u>9,250</u>	<u>31,384</u>	<u>2,174,167</u>
Depreciation					
Brought forward	495,818	30,574	463	6,021	532,876
Charge	38,589	12,355	1,849	5,672	58,465
Elimination on disposal	-	-	-	-	-
Carried forward	<u>534,407</u>	<u>42,929</u>	<u>2,312</u>	<u>11,693</u>	<u>591,341</u>
NBV at 31 January 2021	<u>1,468,600</u>	<u>87,597</u>	<u>6,938</u>	<u>19,691</u>	<u>1,582,826</u>
NBV at 31 January 2020	<u>1,675,189</u>	<u>87,980</u>	<u>8,787</u>	<u>19,253</u>	<u>1,791,209</u>

CHARITY

	Land & buildings £	Total £
Cost		
Brought forward	653,696	653,696
Additions	-	-
Disposals	(168,000)	(168,000)
Carried forward	<u>485,696</u>	<u>485,696</u>
Depreciation		
Brought forward	10,279	10,279
Charge	8,243	8,243
Elimination on disposal	-	-
Carried forward	<u>18,522</u>	<u>18,522</u>
NBV at 31 January 2021	<u>467,174</u>	<u>467,174</u>
NBV at 31 January 2020	<u>643,417</u>	<u>643,417</u>

TALYLLYN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2021

10. HERITAGE ASSETS

GROUP

	Permanent way and infrastructure £	Locomotives & rolling stock £	Total £
Cost			
Brought forward	181,641	224,152	405,793
Additions	-	38,042	38,042
Disposals	-	-	-
Carried forward	<u>181,641</u>	<u>262,194</u>	<u>443,835</u>
Depreciation			
Brought forward	12,973	19,513	32,486
Charge	4,541	10,999	15,540
Elimination on disposal	-	-	-
Carried forward	<u>17,514</u>	<u>30,512</u>	<u>48,026</u>
NBV at 31 January 2021	<u>164,127</u>	<u>231,682</u>	<u>395,809</u>
NBV at 31 January 2020	<u>168,668</u>	<u>204,639</u>	<u>373,307</u>

Summary analysis of Heritage Asset transactions

	2021	2020	2019	2018
Additions				
Assets purchased - development	38,042	7,798	87,883	93,663
Total additions	<u>38,042</u>	<u>7,798</u>	<u>87,883</u>	<u>93,663</u>
Depreciation				
Assets purchased - development	15,540	15,094	11,771	5,621
Sub total	<u>15,540</u>	<u>15,094</u>	<u>11,771</u>	<u>5,621</u>

TALYLLYN HOLDINGS LIMITED

22.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2021

11. INVESTMENTS

Charity

Shares in
group
undertakings
£

Cost

-

Talylyn Railway Company undertakes the trading activities of the group. The parent charity owns 100% of the ordinary share capital of this subsidiary, which is held between the directors individually. Its principal purpose is the running and maintenance of the Talylyn Railway.

A summary of the trading results is shown below:

	2021 £	2020 £
Turnover	1,137,523	1,276,700
Exceptional item	-	-
Cost of sales	(746,748)	(1,042,404)
Gross profit	390,775	234,296
Administrative expenses	(234,520)	(303,937)
Net loss	156,255	(69,641)
Retained earnings brought forward	-	-
Donation from Talylyn Railway Preservation Society	50,000	65,000
Retained earnings carried forward	206,255	(4,641)

12. STOCKS

	2021 £	2020 £
Fuel & consumables	4,410	5,150
Maintenance and Work-in-Progress	86,317	82,589
Goods for resale	36,385	29,008
	127,112	116,747

The cost of stocks recognised as an expense in the year amounted to £230,749 (2019: £238,653).

13. DEBTORS

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade debtors	850	694	-	-
Prepayments and other debtors	20,237	124,238	640	85,378
Taxation and social security	445	-	-	-
Amounts due from group undertakings	-	-	17,400	8,290
Amounts due from related parties	1,349	-	-	-
	22,881	124,932	18,040	93,668

TALYLLYN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2021

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade creditors	27,716	56,333	-	-
Accruals & deferred income	35,700	32,764	13,000	13,000
Other creditors	61,262	61,547	61,186	61,187
Taxation and social security	-	(11,566)	-	-
Amounts due to related parties	-	8,701	-	-
	<u>124,678</u>	<u>147,779</u>	<u>74,186</u>	<u>74,187</u>

15. DEFERRED INCOME

	£
Brought forward at 1 February 2020	8,204
Amount released to income earned from charitable activities	(613)
Amounts released to income earned from trading activities	(75)
Amounts deferred in the year for charitable activities	3,821
Amounts deferred in the year for trading activities	450
	<u>11,787</u>

16. FUNDS

Statement of funds - current year

	Balance at 1 February 2020 £	Income £	Transfer £	Expenditure £	Balance at 31 January 2021 £
Unrestricted funds					
General funds	1,414,373	763,235	(17,836)	(560,432)	1,599,340
Designated funds	<u>54,004</u>	-	-	-	<u>54,004</u>
Restricted funds					
Wharf Building	1,031,772	-	-	(30,346)	1,001,426
Development fund	-	-	-	-	-
Loco. No.3 "Sir Haydn" Appeal	92,247	-	-	(7,977)	84,270
Corris Coach	-	38,042	-	-	38,042
Tracksiders Fund	628	-	-	-	628
Open Carriages Appeal	-	1,300	4,302	(5,602)	-
Toby the Trolley appeal	-	-	-	-	-
Corris Carriage appeal	9,705	195	13,534	(23,434)	-
Ty Dwr Appeal	1,477	20	-	-	1,497
2018 AGM Strimmers Etc.	319	-	-	-	319
2019 AGM Carriage Heating	2,585	-	-	-	2,585
2020 AGM Loco injectors	-	5,713	-	-	5,713
Graham Guilford Fund	16,628	-	-	(31)	16,597
Virtual Visit Appeal	-	130,438	-	(130,000)	438
Tamping Machine Appeal	-	35	-	-	35
Culture Recovery Grant	-	150,000	-	(60,820)	89,180
Coronavirus Job Retention Scheme	-	164,718	-	(164,718)	-
National Lottery Heritage Emergency Fund	-	45,700	-	(45,700)	-
	<u>1,155,361</u>	<u>536,161</u>	<u>17,836</u>	<u>(468,628)</u>	<u>1,240,730</u>
	<u>2,623,738</u>	<u>1,299,396</u>	<u>-</u>	<u>(1,029,060)</u>	<u>2,894,074</u>

TALYLLYN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2021

The designated unrestricted fund is allocated funds towards the Wharf Building restricted fund.

The fund for the Wharf Building made possible the construction of a large building accommodating the Narrow Gauge railway Museum, Shop and Catering operations and offices, completed in 2005.

The appeal fund for Loco No.3 "Sir Haydn" contributed to the comprehensive rebuild and refurbishment of this historic locomotive which was completed in 2018.

The Graham Guilford Fund was created through a legacy from the late Graham Guilford to benefit young volunteers. It is now used and administered to provide grants to young people in order that they may spend time volunteering on the railway which might otherwise not be financially possible. It is boosted by new donations from time to time.

Statement of funds - prior year

	Balance at 1 February 2019 £	Income £	Transfer £	Expenditure £	Balance at 31 January 2020 £
Unrestricted funds					
General funds	1,077,784	1,649,737	(30,055)	(1,283,093)	1,414,373
Designated funds	54,004	-	-	-	54,004
Restricted funds					
Wharf Building grant	1,062,118	-	-	(30,346)	1,031,772
Development fund	1,671	-	(1,671)	-	-
Loco. No.3 "Sir Haydn" Appeal	100,224	-	-	(7,977)	92,247
Tracksiders Fund	628	-	-	-	628
Open Carriages Appeal	22,157	2,930	31,726	(56,813)	-
Toby the Trolley appeal	1,645	-	-	(1,645)	-
Corris Carriage appeal	15,407	8,907	-	(14,609)	9,705
Ty Dwr Appeal	828	649	-	-	1,477
2018 AGM Strimmers Etc.	698	-	-	(379)	319
2019 AGM Carriage Heating	-	2,585	-	-	2,585
Graham Guildford Fund	16,064	1,000	-	(436)	16,628
	1,221,440	16,071	30,055	(112,205)	1,155,361
	2,353,228	1,665,808	-	(1,395,298)	2,623,738

Analysis of funds between net assets - current year

	Fixed Assets £	Net Current Assets £	Long Term Liabilities £	Total £
Unrestricted funds	939,167	714,177	-	1,653,344
Restricted funds	1,039,468	201,262	-	1,240,730
Carried forward	1,978,635	915,439	-	2,894,074

TALYLLYN HOLDINGS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2021

Analysis of funds between net assets - prior year

	Fixed Assets £	Net Current Assets £	Long Term Liabilities £	Total £
Unrestricted funds	1,132,744	335,633	-	1,468,377
Restricted funds	1,031,772	123,589	-	1,155,361
Carried forward	<u>2,164,516</u>	<u>459,222</u>	<u>-</u>	<u>2,623,738</u>

17. TAXATION

The railway company is recognised by HMRC as having a charitable purpose and therefore is not liable to income tax or corporation tax on income derived from charitable activities, as it falls within the various exemptions available to registered charities.

18. RELATED PARTY TRANSACTIONS

During the year the group received a donation from The Talylyn Railway Preservation Society of £150,982 (2020: £225,108).

19. MEMBERS' LIABILITY

Talylyn Holdings Limited is a registered company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £5 towards the assets of the charitable company in the event of winding up.

20. ULTIMATE CONTROLLING PARTY

Talylyn Holdings Limited is controlled by the right of appointment of the majority of directors by the Talylyn Railway Preservation Society.

In the opinion of the Trustees there is no ultimate controlling party of the charity.

