

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
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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

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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.

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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.

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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.

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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.

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Tallylyn 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:



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Chair of Trustees

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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.

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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.

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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
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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		763,235	536,161	1,299,396	1,665,808
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		560,432	468,628	1,029,060	1,395,298
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		1,653,344	1,240,730	2,894,074	2,623,738

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

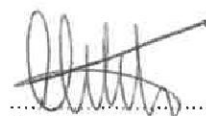

.....
Elisabeth Mann

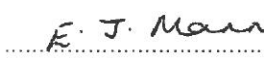
TALYLLYN HOLDINGS LIMITED
BALANCE SHEET AS AT 31 JANUARY 2021

	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>1,078,922</u>	<u>1,005,553</u>
FUND BALANCES				
Restricted funds			27,812	31,343
Unrestricted funds			<u>1,051,110</u>	<u>974,210</u>
			<u>1,078,922</u>	<u>1,005,553</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

	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)
	112,423	(401,844)
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	890,124	365,322

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.

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 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 (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 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
	254,659	536,161	790,820	522,362

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
	230,515	12,316	786,229	1,029,060	1,395,298

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
	268,896	-	268,896	337,159

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	1,649,737	16,071	1,665,808
Expenditure on raising funds			
Commercial trading operations	466,665	-	466,665
Expenditure on charitable activities	816,428	112,205	928,633
TOTAL EXPENDITURE	1,283,093	112,205	1,395,298
Net movement in funds	366,644	(96,134)	270,510

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
	571,870	651,621

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
	35	45

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	181,641	262,194	443,835
Depreciation			
Brought forward	12,973	19,513	32,486
Charge	4,541	10,999	15,540
Elimination on disposal	-	-	-
Carried forward	17,514	30,512	48,026
NBV at 31 January 2021	164,127	231,682	395,809
NBV at 31 January 2020	168,668	204,639	373,307

Summary analysis of Heritage Asset transactions

	2021	2020	2019	2018
Additions				
Assets purchased - development	38,042	7,798	87,883	93,663
Total additions	38,042	7,798	87,883	93,663
Depreciation				
Assets purchased - development	15,540	15,094	11,771	5,621
Sub total	15,540	15,094	11,771	5,621

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	<u>390,775</u>	<u>234,296</u>
Administrative expenses	(234,520)	(303,937)
Net loss	<u>156,255</u>	<u>(69,641)</u>
Retained earnings brought forward	-	-
Donation from Talylyn Railway Preservation Society	50,000	65,000
Retained earnings carried forward	<u><u>206,255</u></u>	<u><u>(4,641)</u></u>

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
	<u><u>127,112</u></u>	<u><u>116,747</u></u>

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	-	-	-
	<u><u>22,881</u></u>	<u><u>124,932</u></u>	<u><u>18,040</u></u>	<u><u>93,668</u></u>

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	54,004	-	-	-	54,004
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 Talyllyn Railway Preservation Society of £150,982 (2020: £225,108).

19. MEMBERS' LIABILITY

Talyllyn 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

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.

