

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
CONTENTS

PAGES:

1	Reference and administrative information
2 - 7	Trustees' Report
8 - 10	Auditors' Report
11	Consolidated Statement of Financial Activities
12	Consolidated Balance Sheet
13	Balance Sheet
14	Consolidated Statement of Cash Flows
15 – 25	Notes to the Accounts

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 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.

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.

Tallylyn 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 Tallylyn 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

Tallylyn 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 Tallylyn 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.

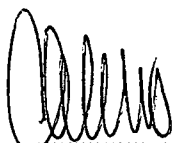
AUDITORS

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 Talyllyn 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

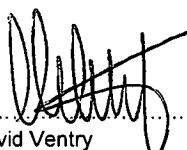
TALYLLYN HOLDINGS LIMITED


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			<u>1,262,697</u>	<u>1,051,110</u>
			<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

	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)
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)
	(69,023)	112,423
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
Cash and cash equivalents at the end of the year	1,178,323	890,124

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
Messroom supplies and 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>

TALYLLYN HOLDINGS LIMITED

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
	643,400	571,870

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	-
	39	35

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

11. INVESTMENTS

	Shares in group undertakings £
Charity	
Cost	<u><u>-</u></u>

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:

	2022 £	2021 £
Turnover	1,543,945	1,048,343
Exceptional item	-	-
Cost of sales	(992,574)	(746,748)
Gross profit	<u>551,371</u>	<u>301,595</u>
Administrative expenses	(335,435)	(234,520)
Net profit	<u>215,936</u>	<u>67,075</u>
Retained earnings brought forward	470,817	353,742
Donation from Talylyn Railway Preservation Society	50,000	50,000
Retained earnings carried forward	<u><u>736,753</u></u>	<u><u>470,817</u></u>

12. STOCKS

	2022 £	2021 £
Fuel & consumables	4,356	4,410
Maintenance	26,210	23,903
Work in progress - Assets under construction	64,913	62,414
Goods for resale	45,604	36,385
	<u><u>141,083</u></u>	<u><u>127,112</u></u>

The cost of stocks recognised as an expense in the year amounted to £219,474 (2021: £230,749).

13. DEBTORS

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade debtors	240	850	-	-
Prepayments and other debtors	53,998	20,237	7,700	640
Taxation and social security	5,860	445	-	-
Amounts due from group undertakings	-	-	30,435	17,400
Amounts due from related parties	17,896	1,349	-	-
	<u><u>77,994</u></u>	<u><u>22,881</u></u>	<u><u>38,135</u></u>	<u><u>18,040</u></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	1,966,643	1,296,786	-	3,263,429

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	1,978,635	915,439	-	2,894,074

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 £50,000 (2021: £150,982).

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.