

Company registration number: 00511996

Charity registration number: 1089053

Talyllyn Holdings Limited

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 January 2023

Talylyn Holdings Limited

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Talyllyn Holdings Limited

Reference and Administrative Details

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

Talyllyn Holdings Limited

Trustees' Report

INTRODUCTION

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 January 2023. The consolidated financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)).

PRINCIPAL ACTIVITY

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

The strategies employed to achieve these objectives are to:

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

ACHIEVEMENTS AND ACTIVITIES

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

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

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

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

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

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Traffic and Operating

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

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

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

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

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

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

Shop and Catering

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

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

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

Talyllyn Holdings Limited

Trustees' Report

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

Engineering

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

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

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

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

Health & Safety

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

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

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

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

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

Talyllyn Holdings Limited

Trustees' Report

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

Heritage

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

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

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

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

Fundraising

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

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

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

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

KEY PERFORMANCE INDICATORS

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

Talyllyn Holdings Limited

Trustees' Report

PUBLIC BENEFIT

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

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

FINANCIAL REVIEW

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

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

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

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

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

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

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Trustees' Report

RESERVES POLICY

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

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

FUTURE PLANS

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

Talyllyn Holdings Limited

Trustees' Report

Trustees

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

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

Company Secretary: Andrew Simner

Chief Financial Officer: Garry Mumford

Recruitment and Appointment of New Trustees

Trustees are appointed in accordance with the Company's Articles of Association as approved by the Charity Commission. The majority of the Trustees are appointed by and from the Council of the 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 (2022: £Nil). It has no paid employees.

Risk Management

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of 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:

Tallylyn Holdings Limited

Trustees' Report

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

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

In so far as we are aware:

- There is no relevant audit information of which the charitable Company's and Group's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

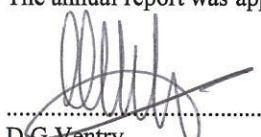
AUDITORS

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

SMALL COMPANY EXEMPTIONS

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

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


.....
D G Ventry
Chairman and Trustee

Talylllyn Holdings Limited

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

Opinion

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

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Talyllyn Holdings Limited

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Talyllyn Holdings Limited

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

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

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

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and thenature, 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.

Talyllyn Holdings Limited

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

Use of our report

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



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

For and on behalf of McBrides Accountants LLP, Statutory Auditor

Nexus House
Cray Road
Sidcup
Kent
DA14 5DA

Date: 20/4/23

Talyllyn Holdings Limited

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

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

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

The funds breakdown for 2022 is shown in note 20.

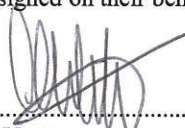
Talyllyn Holdings Limited

(Registration number: 00511996)

Consolidated Balance Sheet as at 31 January 2023

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

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



 D G Ventry
 Chairman and Trustee

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

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

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

.....
D G Ventry
Chairman and Trustee

Talyllyn Holdings Limited

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

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

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

Talyllyn Holdings Limited

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

1 Charity status

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

The address of its registered office is:

Wharf Station
Tywyn
Gwynedd
LL36 9EY

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

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

Basis of preparation

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.

Basis of consolidation

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

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

Talyllyn Holdings Limited

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

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

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

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

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

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

Going concern

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

Talyllyn Holdings Limited

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

Judgements

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

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

Income and endowments

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

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

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

Expenditure

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

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

Allocated costs

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

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

Talylyn Holdings Limited

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

Reserves

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

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

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

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

Tangible fixed assets

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

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

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

Heritage assets

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

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

Depreciation and amortisation

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

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

Talyllyn Holdings Limited

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

Stock

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

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

Trade debtors

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

Cash and cash equivalents

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

Trade creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at transaction value.

Financial instruments

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

Fund structure

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

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

Tallylyn Holdings Limited

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

3 Income from donations and legacies

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

4 Income from charitable activities

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

5 Income from other trading activities

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

6 Investment income

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

Talyllyn Holdings Limited

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

7 Other income

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

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

8 Expenditure on charitable activities

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

Talyllyn Holdings Limited

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

9 Analysis of support costs

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

10 Trustees remuneration and expenses

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

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

Talyllyn Holdings Limited

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

11 Staff costs

The aggregate payroll costs were as follows:

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

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

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

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

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

12 Auditors' remuneration

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

13 Taxation

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

Tallylyn Holdings Limited

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

14 Tangible fixed assets

Group

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

Talyllyn Holdings Limited

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

15 Heritage assets

Group

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

Summary of transactions

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

Talyllyn Holdings Limited

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

16 Fixed asset investments

Charity

2023
£

Shares in group undertakings and participating interests

Subsidiary
undertakings
£

Cost

At 31 January 2023

-

Net book value

At 31 January 2023

-

Talyllyn 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 Talyllyn Railway.

A summary of the trading results is shown below:

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

Talyllyn Holdings Limited

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

17 Stock

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

18 Debtors

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

19 Creditors: amounts falling due within one year

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

Deferred income

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

Talyllyn Holdings Limited

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

20 Funds

Group

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

Talyllyn Holdings Limited

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

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

Talyllyn Holdings Limited

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

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

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

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

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

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

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

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

21 Analysis of net assets between funds

Group

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

22 Related party transactions

Group

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

23 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.