

Registered number: 00511996  
Charity number: 1089053

**TALYLLYN HOLDINGS LIMITED**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JANUARY 2024**

CONTENTS

---

	Page
Reference and administrative details of the Company, its Trustees and advisers	1
Trustees' report	2 - 9
Independent auditors' report on the financial statements	10 - 13
Consolidated statement of financial activities	14
Consolidated balance sheet	15 - 16
Company balance sheet	17
Consolidated statement of cash flows	18
Notes to the financial statements	19 - 43

---

**TALYLLYN HOLDINGS LIMITED**

---

---

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

---

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

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JANUARY 2024

---

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

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

***Objectives and activities***

**a. Principal activity**

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

The strategies employed to achieve these objectives are to:

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

**b. Public benefit**

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

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

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

---

***Achievements and activities***

**a. Main achievements of the Company**

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

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

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

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

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

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

**b. Traffic and Operating**

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

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

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

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

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

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

---

**Achievements and activities (continued)**

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

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

**c. Shop and Catering**

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

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

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

**d. Engineering**

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

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

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

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

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

---

**Achievements and activities (continued)**

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

**e. Health & Safety**

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

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

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

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

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

**f. Heritage**

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

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

**g. Fundraising**

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

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

---

**Achievements and activities (continued)**

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

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

**h. Key performance indicators**

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

**Financial review**

**a. Financial review**

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

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

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

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

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

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



---

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

---

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

**b. Going concern**

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

**c. Reserves policy**

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

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

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

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

**d. Principal risks and uncertainties**

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

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

---

**Structure, governance and management**

**a.**

Talylllyn 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 Talylllyn Railway Preservation Society. The Board met six times during the year and considered the financial position at each meeting.

**b. Recruitment and appointment of new Trustees**

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

**c. Induction and training of Trustees**

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

**d. Related parties**

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

**e. Key Management Personnel**

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

**Plans for future periods**

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

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

---

**Statement of Trustees' responsibilities**

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

**Disclosure of information to auditors**

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

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

**Auditors**

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

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

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

**D G Ventry**  
(Chair of Trustees)

Date: 15 August 2024

---

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

---

We have audited the financial statements of Tallylyn Holdings Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 January 2024, which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 January 2024, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Other information**

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

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

---

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

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

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

**Responsibilities of trustees**

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

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

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

---

**Auditor responsibilities for the audit of the financial statements**

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group and parent charitable company through discussions with management and trustees, and from our knowledge and experience of this organisation;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and parent charitable company, including the Charities Act 2011, the Companies Act 2006, data protection, health and safety legislation and employment law. In addition to this, we specifically reviewed compliance with railway safety standards and ensured the railway continued to hold the necessary certification required to operate the railway;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and trustees; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit of the group and parent charitable company.

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

- making enquiries of management and trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risks of fraud through management bias and override controls, we:

- performed analytical procedures to identify any unusual or unexpected variances;
- tested journal entries to identify unusual transactions;
- assessed whether judgments and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

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

---

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

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

**Use of our report**

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

Laura Masheder (Senior statutory auditor)

for and on behalf of

**BHP LLP**

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

16 August 2024

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

FOR THE YEAR ENDED 31 JANUARY 2024

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

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

All income and expenditure derive from continuing activities.

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



CONSOLIDATED BALANCE SHEET  
AS AT 31 JANUARY 2024

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

**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
*AS AT 31 JANUARY 2024*

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

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

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

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

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

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

COMPANY BALANCE SHEET  
AS AT 31 JANUARY 2024

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

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

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

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

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

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

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

---

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

---

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

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

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

---

**1. General information**

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

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

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

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

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

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

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

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

**2.2 Going concern**

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

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

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

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

---

**2. Accounting policies (continued)**

**2.3 Income**

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

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

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

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

**2.4 Expenditure**

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

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

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

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

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

---

**2. Accounting policies (continued)**

**2.5 Interest receivable**

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

**2.6 Tangible fixed assets and depreciation**

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

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

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

Depreciation is provided on the following bases:

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

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

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

**2.7 Heritage assets**

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

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

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

---

**2. Accounting policies (continued)**

**2.8 Stocks**

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

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

**2.9 Debtors**

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

**2.10 Cash at bank and in hand**

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

**2.11 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**2.12 Tax**

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

**2.13 Financial instruments**

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



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

---

**2. Accounting policies (continued)**

**2.14 Employee benefits**

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

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

**2.15 Fund accounting**

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

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

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

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

**3. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

---

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

---

## 4. Income from donations and legacies

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

## 5. Income from charitable activities

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

---

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

---

## 6. Income from other trading activities

## Income from non charitable trading activities

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

## 7. Investment income

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

## 8. Other income

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

---

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

---

## 9. Expenditure on raising funds

*Fundraising trading expenses*

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

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

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

10. Analysis of expenditure on charitable activities

*Summary by fund type*

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

. Analysis of expenditure by activities

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

---

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

---

## . Analysis of expenditure by activities (continued)

## Analysis of support costs

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

---

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

---

**11. Auditors' remuneration**

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

**12. Staff costs**

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

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

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

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

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

---

**12. Staff costs (continued)**

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

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

**13. Trustees' remuneration and expenses**

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

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



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

14. Tangible fixed assets

Group

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

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

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

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

---

14. Tangible fixed assets (continued)

Company

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

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

## 15. Heritage assets

*Group*

## Assets recognised at cost

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

## Analysis of heritage asset transactions

*Group*

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

---

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

---

**16. Fixed asset investments**

The following was a subsidiary undertaking of the Company:

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

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

The financial results of the subsidiary for the year were:

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

**17. Stocks**

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

---

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

---

**18. Debtors**

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

**19. Creditors: Amounts falling due within one year**

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

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

---

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

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

**20. Prior year adjustments**

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

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

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

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

21. Statement of funds

Statement of funds - current year

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

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

21. Statement of funds (continued)

Statement of funds - prior year

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



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

---

**21. Statement of funds (continued)**

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

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

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

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

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

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

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

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

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

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

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

22. Summary of funds

Summary of funds - current year

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

Summary of funds - prior year

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

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

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

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

23. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

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

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

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

---

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

---

**25. Analysis of cash and cash equivalents**

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

**26. Analysis of changes in net debt**

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

There is no debt in the current or previous year.

**27. Pension commitments**

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

**28. Related party transactions**

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

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

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

**29. Controlling party**

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

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