

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

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

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

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TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

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

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

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JANUARY 2025

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

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

Objectives and activities

a. Principal activity

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

The strategies employed to achieve these objectives are to:

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

b. Public benefit

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

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

Achievements and activities

a. Main achievements of the Company

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

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

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

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

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

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

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

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

b. Traffic and Operating

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

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

Achievements and activities (continued)

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

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

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

c. Shop and Catering

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

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

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

d. Engineering

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

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

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

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

Achievements and activities (continued)

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

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

e. Health & Safety

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

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

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

f. Heritage

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

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

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

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

Achievements and activities (continued)

g. Fundraising

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

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

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

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

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

h. Key performance indicators

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

Financial review

a. Financial review

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

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

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

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

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

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

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

b. Going concern

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

c. Reserves policy

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

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

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

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

d. Principal risks and uncertainties

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

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

Structure, governance and management

a. Structure

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

b. Recruitment and appointment of new Trustees

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

c. Induction and training of Trustees

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

d. Related parties

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

e. Key Management Personnel

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

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

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

Plans for future periods

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

Statement of Trustees' responsibilities

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

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

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

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

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

Disclosure of information to auditors

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

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

Auditors

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

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

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



Signer ID: IJQY0YOGSE...

D G Ventry

(Chair of Trustees)

Date: 18/07/2025 GMT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TALYLLYN HOLDINGS LIMITED

We have audited the financial statements of Talyllyn Holdings Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 January 2025, which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 January 2025, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

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

Auditor responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

Use of our report

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

Laura Masheder

Signer ID: IPFNE7JEI6...

Laura Masheder (Senior statutory auditor)

for and on behalf of

BHP LLP

Chartered Accountants

Statutory Auditor

Rievaulx House

1 St Mary's Court

Blossom Street

York

YO24 1AH

Date: 18/07/2025 GMT

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

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

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

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

All income and expenditure derive from continuing activities.

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

CONSOLIDATED BALANCE SHEET
AS AT 31 JANUARY 2025

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

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 JANUARY 2025

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

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

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

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



Signer ID: IJQY0YOGSE...

D G Ventry

Chair of Trustees

Date: 18/07/2025 GMT

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

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

COMPANY BALANCE SHEET
AS AT 31 JANUARY 2025

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

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

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

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

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



Signer ID: UJOY0YOGSE...

D G Ventry

Chair of Trustees

Date: 18/07/2025 GMT

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

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

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

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

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

1. General information

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

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

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

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

2.2 Going concern

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

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

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

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

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 2025

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 2025

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 2025

2. Accounting policies (continued)

2.14 Employee benefits

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

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

2.15 Fund accounting

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

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

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

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

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

Useful economic lives of tangible and heritage assets

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

Stock provisions

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

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

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

4. Income from donations and legacies

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

5. Income from charitable activities

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Railway operations	797,223	797,223	756,094
Total 2024	756,094	756,094	

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

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

6. Income from other trading activities

Income from non charitable trading activities

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

7. Investment income

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

8. Other income

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

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

9. Expenditure on raising funds

Fundraising trading expenses

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

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

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

10. Analysis of expenditure on charitable activities

Summary by fund type

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

. Analysis of expenditure by activities

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

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

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

Analysis of expenditure by activities (continued)

Analysis of support costs

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

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

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

11. Auditors' remuneration

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

12. Staff costs

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

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

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

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

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

12. Staff costs (continued)

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

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

13. Trustees' remuneration and expenses

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

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

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

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

14. Tangible fixed assets

Group

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

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

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

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

14. Tangible fixed assets (continued)

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

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

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

15. Heritage assets

Group

Assets recognised at cost

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

Analysis of heritage asset transactions

Group

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

TALYLLYN HOLDINGS LIMITED
(A Company Limited by Guarantee)

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

16. Fixed asset investments

The following was a subsidiary undertaking of the Company:

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

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

The financial results of the subsidiary for the year were:

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

17. Stocks

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

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

18. Debtors

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

19. Creditors: Amounts falling due within one year

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

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

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

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

20. Statement of funds

Statement of funds - current year

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

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

20. Statement of funds (continued)

Statement of funds - prior year

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

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

20. Statement of funds (continued)

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

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

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

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

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

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

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

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

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

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

21. Summary of funds

Summary of funds - current year

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

Summary of funds - prior year

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

22. Analysis of net assets between funds

Analysis of net assets between funds - current period

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

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NOTES TO THE FINANCIAL STATEMENTS
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22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

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

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

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

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24. Analysis of cash and cash equivalents

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

25. Analysis of changes in net debt

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

There is no debt in the current or previous year.

26. Capital commitments

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

27. Pension commitments

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

28. Related party transactions

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

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

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

29. Controlling party

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

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