

THE FFESTINIOG AND WELSH HIGHLAND RAILWAYS TRUST

TRUSTEES' REPORT AND ACCOUNTS

For the year ended 31 December 2022

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TRUSTEES' REPORT AND ACCOUNTS FOR THE YEAR TO 31 DECEMBER 2022

PROFILE

A Festiniog Railway Trust was created in 1954 when the late Mr. Alan Pegler provided the funds to acquire a controlling interest in The Festiniog Railway Company (the "Company") and arranged for stock to be transferred directly to it from the previous shareholders. The aim of the Trust was for the future of that renowned railway to be secure in well-disposed hands in perpetuity. The Trust was subsequently reconstituted and registered as a charity on 10 November 1964 and has amongst its stated aims the encouragement and support of charitable purposes connected with railways, particularly the Ffestiniog Railway (*).

The Trustees are appointed under a scheme approved by the Charity Commissioners and incorporated in an amended Trust Deed (30 September 1998). With the approval of the Charity Commission, the Trust Deed was further amended on 5 October 2012 to change the name of the Trust to The Ffestiniog and Welsh Highland Railways Trust (*Ymddiriedolaeth Rheilffyrdd Ffestiniog ac Eryri* in Welsh) and to make a number of administrative changes; further administrative changes were made on 15 April 2016. Running the Trust is an entirely voluntary and unpaid activity.

Trust income is primarily from gifts and legacies and from the profits of a trading company, Ffestiniog Railway Holdings Limited, which is wholly owned by the Trust. This exploits commercial opportunities, notably the Ffestiniog Travel business, that are not possible for the Company.

The Trustees will consider proposals for fund raising by interested parties which, if undertaken in the name of the Trust, may be done so only with the explicit prior agreement of the Trust.

The Trust owns the great majority of all classes of issued share capital and debentures of the Company and nominates the Company's Directors. The Company has operated the Ffestiniog Railway since its inception in 1836. Under Trust ownership, the Company has also re-instated and now operates the once derelict Welsh Highland Railway which shares the Ffestiniog Railway's Harbour station at Porthmadog, runs to Dinas Junction and has been extended to Caernarfon.

The Trust expects that the Company's annual costs will be covered by its annual revenues. Many but not all major renewals are also covered within this. Improvement projects are funded by the Trust, or one of the supporting societies, and each has their own project plan. Profits from the Ffestiniog Travel business add to the Trust's funds available for such development.

The Trust does not normally initiate charitable work but responds to requests from other interested bodies for grants to support activities aligned with its charitable aims.

There exists a very considerable collection of artefacts, records and ephemera concerning the railways which are no longer required directly for their operation and maintenance. This constitutes a most important and historically significant record, resource and responsibility. The Trustees have for many years overseen the care and continued safe storage of these items, and their maintenance where appropriate. Constraints of finance and space mean it is not currently possible to mount a permanent display. However, the complete pre-1954 archive is now available at Gwynedd Archives in Caernarfon. Ffestiniog and Welsh Highland Railways Heritage Limited was formed and is owned by the Company to oversee the care of these special items, to ensure their protection and to enhance their value to the community. The Directors of Ffestiniog and Welsh Highland Railways Heritage Limited are nominated by the Trustees.

() The spelling of "Festiniog" in the Company's name is legally correct and reflects contemporary Welsh usage in 1832 when the Company was created by Act of Parliament. However, the Trust and the Company have now adopted the current Welsh spelling of "Ffestiniog" in day to day usage and this is used throughout the remainder of this Profile and the Trustees' Report.*

LEGAL AND ADMINISTRATIVE DETAILS

Office	Harbour Station Porthmadog Gwynedd LL49 9NF
Registered Charity Number	239904
Secretary	R D Holton Soprano Fleecy Court Chapel Green Napton-on-the-Hill CV47 8PA
Legal Advisor	R J L Stones 91 Linden Way London N14 4NG
Treasurer	J D Scarisbrick 9 Chatham Road Old Trafford Manchester M16 0DR
Bankers	Natwest Bank plc PO Box 877 31 Cheapside London EC2V 6HT CAF Bank (Charity Aid Foundation) 25 Kings Hill Avenue West Mailing Kent ME19 4TA

TRUSTEES' REPORT

YEAR ENDED 31 DECEMBER 2022

TRUSTEES

Dr J D C A Prideaux CBE (Chairman): Mr R Broyd OBE: Dr D R Gwyn OBE;
Dr D W Roberts MBE: Mr M L Smith

The Trustees present their report and the accounts for the year ended 31 December 2022.

Statement of Trustees' Responsibilities

The Trustees 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).

Charity Law requires the Trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity and the group, of incoming resources and the application of those resources within the group for each financial year. Trustees are required to:

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

The Trustees are responsible for ensuring that accounting records are kept that disclose the financial position of the charity with reasonable accuracy at any time and enable Trustees to ensure that the statements comply with the Charities Act 2011 and regulations made thereunder. They are also responsible for safeguarding the assets of the charity and the group by taking reasonable steps for the prevention and detection of fraud and other irregularities.

Objectives and Activities

The objectives of the Trust are "such charitable purposes connected with railways as the Trustees determine". In selecting appropriate purposes, the Trustees are required to especially bear in mind charitable purposes connected with the Company.

The Trustees fulfil these aims through activities aimed at the charitable purpose of advancing heritage. These include:

providing funding to support the continued operation of the Ffestiniog Railway and the reconstructed Welsh Highland Railway and

holding a controlling interest in the Company to ensure that it continues to operate in accordance with the Trust's objectives and to enable it to oversee the preservation of historic rolling stock, archives and other artefacts relating to the railways.

Principal Activities and Review of the Year

The Trust's income was again primarily from donations and legacies (with gift aid on these where applicable) and from investment income. In 2022, income from legacies was £232,737 (2021 £243,888) and from gifts and donations was £178,369 (2021 £567,050). Total income in 2022 was £458,614 (2021 £811,643). This is somewhat below the average figure for the previous five years (£758,934) which was boosted, in part, by covid related "survival appeals".

Governance costs over the last five years have averaged £19,894 of which about two thirds are fundraising costs and the bulk of the remainder are audit costs. Administration costs are minimal as all Trustees and Officers of the Trust are unpaid and decline to claim expenses.

In response to requests for funding for new projects received by the Trust from the Company, commitments were made to fund work for the planning application for new facilities at Beddgelert Station, for the final stage of installing Micro ETS on the Welsh Highland Railway, for a new machine shop for the carriage works at Boston Lodge and for the NHLF Interpretation and Boston Lodge project. These commitments will be drawn down by the Company as grants over time as the work is completed. In 2022 the Company drew down £559,882 (2021:£415,248) against earlier commitments concerning the new large carriage shed, the NWNG Ashbury replica brakevan, a new modern carriage for the FR fleet (carriage 808), construction of new locomotive *James Spooner*, locomotive *Taliesin*'s boiler overhaul and for the NHLF Interpretation and Boston Lodge project. The installation of PV cells on the roof of the new carriage shed at Boston Lodge was also supported. These are capable of producing much of the electricity consumed at Boston Lodge thus contributing to improvement in the railways' environmental footprint.

The Board of Ffestiniog and Welsh Highland Railways Heritage Ltd. continued to be responsible for appraising and advising the Company on proposed heritage projects. Monitoring the condition of heritage rolling stock was continued during the year.

The skills and quality of design and craftsmanship of the workshop staff at Boston Lodge are known far and wide and are a long-term benefit to the organisation. External work overhauling locomotives and building carriages for other narrow-gauge railways provided welcome income to help defray the Company's costs in 2022.

During the year the Company, with the support of the Trust, obtained an order under the Transport and Works Act 1992 which, among other things, made changes to the constitution of the Company as set out in the Festiniog Railway Act of 1869. These changes allowed the Company to increase the maximum number of directors and reduced the level of directors' qualifying stock holding. At the Company AGM, Trustees (as majority shareholder) supported a resolution which increased the maximum number of permitted directors to eleven. This allowed individuals who were serving as "non-statutory" directors to be elected to full statutory status

During the year physical work started on the National Lottery Heritage Fund (NLHF) supported "Interpretation and Boston Lodge Project". The Trust (along with The Festiniog Railway Society) have provided substantial grants to match the NLHF contribution. Increased inflationary pressures during 2022 resulted in a need for additional funding to enable the project to still fulfil all of its goals. The Trust (and FRS's) commitment to increase their contributions were instrumental in persuading the NLHF to do likewise bringing the overall project budget up to £5.2million.

"The Regenerative Railway" was published towards the end of 2022. This document sets out the vision, strategy and roadmap for the railways over the next decade or so which will see them enter their third century of operation.

During 2022, the Company continued with efficiency measures introduced to combat the effects of the pandemic. Traffic receipts were significantly higher than in 2021 but increases in the costs of employment, and a very dramatic increase in the cost of coal, squeezed margins. Nevertheless the Company made an operating surplus of £87190 (2021:£755,124) which, as always, will be reinvested into basic expenditure on maintenance or routine projects on the infrastructure for the railways.

The travel business operated by Ffestiniog Holdings Ltd enjoyed much better post-covid trading conditions in 2022. This enabled repayment of a £50,000 loan from the Trust (made to maintain reserves as required by IATA) and the generation of a small profit. The immediate priority will be to use this profit to maintain reserves (essential for a travel business). Ffestiniog Holdings Ltd intends to resume payment of dividends to the Trust as soon as reserves allows.

Public Benefit

In planning their activities, the Trustees gave due regard to the guidance on public benefit issued by the Charity Commission.

The Ffestiniog Railway is of enormous significance to both the world-wide development of narrow-gauge railways and the industrial history of North Wales. Much of the original infrastructure and architecture, including the original works at Boston Lodge, has been retained. Motive power and other rolling stock of outstanding historical and technical interest continue to be operated and, together with historic artefacts on display in Porthmadog, are visible to all. The restoration of the Welsh Highland Railway has reconstituted another major part of the narrow-gauge network historically proposed for the region.

The company has business and technical archives dating from its 1832 inception as a statutory company. These are deposited with Gwynedd Archives in Caernarfon and freely available as a resource for researchers. Preservation of this heritage provides an educational and recreational resource which benefits the community as a whole.

The railways run through (and provide access to) the Glaslyn and Ffestiniog Landscapes of Historical Significance and the Snowdonia National Park. Recognition of the contribution to public benefit has come from the inscription of the Ffestiniog Railway as an element within the UNESCO World Heritage site (part of The Slate Landscape of Northwest Wales).

The Company supports the local community by sponsoring and participating in local events and by providing resources and work experience for local schools. It is not easy to find high quality jobs in Gwynedd – particularly outside the public sector. The railways are not just one of the largest employers in the area, but have become a noted centre of excellence in areas such as carriage building and mechanical engineering, and so offer local people an opportunity to develop skills which would not otherwise exist in such a remote area.

A majority of our permanent staff are recruited locally and over half speak Welsh as a first language. The Trustees will continue to offer to support established members of our permanent staff who do not currently speak Welsh but would like to do so.

The NLHF project at Boston Lodge includes provision of dedicated resources to further and enhance volunteer activity in interpretation of the railway's impact on the community (currently and historically) and has created apprenticeship positions covering works administration, project management and interpretation.

Our local community, which is classified as an economically disadvantaged area, benefits directly from the railways' activities but also indirectly from benefits accruing to local employers and other businesses. The overall benefit to the region has been the subject of academic studies and is now estimated to be over £20m per annum and to support around 400 jobs. This level of economic contribution is recognised as common ground in discussion with Government and local interests.

Structure, Governance and Management

The relationships between the Trust and the Company are governed by the Trust Deed. The Trust's position as majority shareholder of the Company is supplemented by a Memorandum of

Understanding between the Trust and the Company dated 26 July 2010 which replaced an earlier Memorandum of 31 July 2003.

Trustees are appointed for five years (and may be reappointed for further terms) under a scheme approved by the Charity Commissioner and which is reflected in the Trust Deed.

Dr Dafydd Gwyn's term as a Trustee ended on 31 December 2021 and he was reappointed for a further five year term commencing 1 January 2022. Dr Dai Robert's term as a Trustee ended on 31 December 2022 and he has been appointed to serve for a further five year term commencing 1 January 2023.

Retiring Trustees may be appointed as Emeritus Trustees for a period of three years. They are not Trustees but may attend meetings of the Trustees by invitation in order to make their experience available to the Trust. In 2022 there were no Emeritus Trustees.

Trustees reviewed and updated the Trust's procedures for financial management during 2022.

The Trustees met formally on three occasions in 2022. Individual Trustees and Officers attended numerous other meetings and functions throughout the year.

The Trust has no employees and work by Trustees and Officers is voluntary. The Trustees are grateful that approximately fifty percent of the hours worked on the railways is undertaken by some 1000 unpaid volunteers.

The General Fund of the Trust supports the Trust's general charitable purposes including the Trust's heritage and archive responsibilities. In addition to the General Fund, the Trust maintains several restricted funds for various more specific charitable purposes where donors wish to support a particular project.

The Trustees confirm that the charity has complied with current statutory requirements, its Trust Deed and the principles of the Charities SORP (FRS 102).

Risk Management

In October 2022 Trustees conducted their annual review of the

principal risks and uncertainties that affect the charity and

measures in place to mitigate the risks identified and measures to minimise or manage (as far as reasonably practicable) any impact on the charity should those risks materialise

The charity's risk register was updated as a result of this review.

The Trust's operating subsidiaries maintain their own annually reviewed risk assessments. The Trust receives regular reports from all its subsidiaries highlighting areas of concern. Safety, which is the principle operational risk for the Company, is subject to an annual, independent third-party review.

Grant Award Policy

Grants are made in support of specific approved and budgeted projects and must be approved by the Trustees. Grants payable are accounted for when a constructive obligation has been entered into. The value of such grants unpaid at year end is accrued.

Investment Policy

Apart from its holdings of shares and stock of the Company, the Trust's investments are limited to securities donated to the Trust which are held to generate income and/or the opportunity for gain.

Pay Policy for Senior Staff

No Trustee, or Trust official, received any remuneration in 2022.

Impact of Corona Virus

Remaining or ongoing impacts from the corona virus pandemic are given elsewhere in this report.

Neither the Company nor the Trust has any outstanding loans resulting from the recent pandemic.

Reserves

The Trustees have reviewed the reserves of the Trust and consider that unrestricted funds are sufficient to meet the Trust's commitments and other foreseeable calls on its funds. Reserve levels of the charity are monitored on an ongoing basis to ensure that they remain sufficient.

At 31 December 2022, total consolidated reserves were £8,867,131 (2021: £8,366,293) of which £443,319 (2021: £409,957) were in restricted funds.

On behalf of the Trustees


D. Gwyn

Trustee (Sign and Print Name) Date: 16 June 2023

REPORT OF THE INDEPENDENT AUDITORS

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE Ffestiniog and Welsh Highland Railways Trust

Opinion

We have audited the financial statements of The Ffestiniog and Welsh Highland Railways Trust (the 'company') for the year ended 31 December 2022 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable to 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 company's affairs as at 31 December 2022 and of its loss 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent, otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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. 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with financial statements; and
- the Report of the Directors 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors 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 directors determine 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors 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:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

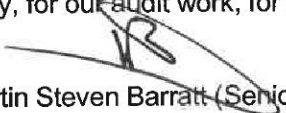
We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the 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 company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Martin Steven Barratt (Senior Statutory Auditor)
for and on behalf of Williams Denton Cyf
Chartered Certified Accountants
Statutory Auditors
13 Trinity Square
Llandudno
United Kingdom
Conwy
LL30 2RB

Date:16/6/2023.....

The Ffestiniog and Welsh Highland Railways Trust
Consolidated Statement of Financial Activities
(including consolidated income and expenditure account)
for year ending 31 December 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total funds 2022 £	Total funds 2021 £
Income:					
Donations and legacies	4	455,133	1,085	456,218	810,938
<i>Income from other trading activities:</i>					
Commercial trading operations	6	7,616,761.00	-	7,616,761	4,531,266
Investment income	7	4,514.00	-	4,514	922
Other Income	6	98,208.00	-	98,208	1,258,353
Total income		8,174,616	1,085	8,175,701	6,601,479
Expenditure					
<i>Costs of raising funds:</i>					
Commercial trading operations	6/10	7,330,113	-	7,330,113	5,381,363
<i>Expenditure on charitable activities:</i>					
Grants committed	8	559,822	1,281	561,103	415,248
Total expenditure		7,889,935	1,281	7,891,216	5,796,611
Net income/(expenditure) and net movement in funds for the year		284,681	(197)	284,485	804,868
Transfers between funds		2,795	(2,795)	-	-
Other recognised gains/(losses)					
Gains/(losses) on investment assets		-	36,353	36,353	(91,443)
Actuarial gains/(losses) on defined benefit pension schemes		180,000	-	180,000	324,000
Net movement in funds		467,476	33,362	500,838	1,037,425
Reconciliation of funds					
Total funds brought forward		7,956,333	409,958	8,366,293	7,328,868
Total funds carried forward		8,423,809	443,320	8,867,131	8,366,293

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The Ffestiniog and Welsh Highland Railways Trust
Consolidated Balance Sheet
for year ending 31 December 2022

	Note	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Fixed assets					
Tangible Assets	16	37,087,253	37,531,204	96,081	97,362
Investments	17	277,159	246,359	308,505	277,705
Total fixed assets		37,364,412	37,777,563	404,586	375,067
Current assets					
Stock and WIP	18	837,780	470,789	-	-
Debtors	19	942,058	550,977	28,039	94,175
Cash at bank and in hand		3,296,321	3,421,269	1,446,780	1,438,981
Total current assets		5,076,159	4,443,035	1,474,819	1,533,156
Liabilities					
Creditors falling due within 1 year	20	1,571,642	1,360,756	130,145	83,521
Net Current assets		3,504,517	3,082,279	1,344,674	1,449,635
Total assets less current liabilities		40,868,929	40,859,842	1,749,260	1,824,702
Creditors: falling due after more than 1 year	22	30,301,685	30,634,186	-	-
Defined benefit pension scheme liability	25	586,000	406,000	-	-
Net assets		11,153,244	10,631,656	1,749,260	1,824,702
The funds of the charity:	26				
Unrestricted income funds		8,423,809	7,956,333	1,305,940	1,414,743
Restricted income funds		443,320	409,958	443,320	409,958
Non-controlling interest		2,286,115	2,265,364	-	-
Total charity funds		11,153,244	10,631,655	1,749,260	1,824,701

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes at page 15 to 29 form part of these accounts.

Signed.....
D. G. W. N.
Print:
Date: 18 vi 2023

on behalf of the Trustees

The Ffestiniog and Welsh Highland Railways Trust
Statement of Cash Flows and Consolidated Statement of Cash Flows
for year ending 31 December 2022

	Year ended 31/12/2022	Year ended 31/12/2021
	£	£
Net incoming resources before revaluations	284,485	804,868
Investment income less interest payable	(4,514)	(922)
Depreciation	1,457,053	1,441,918
Pension fund non-cash movement	-	323,000
(Profit) / Loss on disposal of assets	36,353	(39,509)
Loss on Investments	(30,800)	85,922
(Increase) / decrease in debtors	(391,081)	42,987
(Increase) / decrease in stock	(366,991)	780,776
Increase / (decrease) in creditors	210,886	(1,058,938)
Increase / (decrease) in deferred income	(332,501)	(1,558,921)
Cash from operations	862,890	821,180
CASH FLOW STATEMENT		
Net cash inflow from operating activities	862,890	821,180
Returns on investments and servicing of finance	-	-
Cash Flows from investing activities		
(Gain)/Loss on investments	36,353.00	-
Purchase of investments	-	(223,778)
Disposal of investments	-	229,299
Capital expenditure and financial investment	(1,111,586)	(802,544)
Proceeds on disposal of assets	-	51,934
Taxation		
Tax paid	-	-
Cash flows from financing activities		
Repayment of interest free loan	-	-
Repayment of bank loan	-	-
Cancellation of Debenture Stock	-	-
Increase/(decrease) in cash and cash equivalents in the year	(212,344)	76,091
Reconciliation of net cash flow to movement in net cash and liquid resources		
Increase/(Decrease) in cash in the year	(212,344)	76,091
Cash and liquid resources at 1 January	3,410,341	3,334,250
Cash and liquid resources as at 31 December	3,197,997	3,410,341
Reconciliation of net cash flow to movement in net debt		
Change in cash in year	(212,344)	76,091
Net movement on loans	-	-
Net debt at 1 January	3,018,877	2,942,786
Net debt at 31 December	2,806,533	3,018,877

Analysis of net cash and liquid resources

	At 01/01/22	Movement in year	At 31/12/22
	£	£	£
Cash at bank and in hand	3,421,269	(218,133)	3,203,136
Bank overdraft	(10,928)	5,789	(5,139)
	3,410,341	(212,344)	3,197,997

Notes on the accounts

1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Ffestiniog and Welsh Highland Railways Trust 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 note(s).

b) Group financial statements

The results of the trust's subsidiary undertakings, all of which are incorporated in the United Kingdom and have year ends of 31 December, are consolidated on a line by line basis in the Statement of Financial Activities (SOFA). Detailed information on their trading is incorporated in note 6 to these accounts. Capital grants made by the Trust to subsidiary companies are expenses in the SOFA and disclosed within deferred capital contributions in the balance sheet as the Trustees do not regard such sums as being properly funds of the charity.

c) Incoming Resources

Income is recognised when the charity has the entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

d) Donated services and facilities

The charity received help and support in the form of voluntary assistance. Voluntary assistance is not included in the accounts. It is not possible to quantify the amount of such assistance.

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

f) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are established in respect of specific activities of the Trust, these are set out in note 22 to these accounts.

g) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Costs of raising funds comprise the costs of commercial trading including the rail transport costs, retail costs, catering costs and holiday costs.

Expenditure on charitable activities includes the costs of grants

Other expenditure represents those items not falling into any other heading.

h) Apportionment of costs

The costs of the Trust fall directly into the headings of the SOFA. The costs of the two main trading subsidiaries are allocated to the most appropriate SOFA heading. The costs of the Welsh Highland Railway Construction Company Limited are also included as relating to charitable activities as they relate directly to the development of the railways. The costs of Ffestiniog Railway Holdings Limited are included as fundraising trading as that company exploits commercial opportunities available to it. Therefore no separate breakdown of the allocation of support costs is required.

i) Operating leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

j) Tangible fixed assets

Tangible fixed assets are capitalised and included at cost. The capitalisation policy is to include all items in excess of £100.

Depreciation is provided to write-off the cost or valuation, less estimated residual values, of all tangible fixed assets, except freehold land, over their expected useful lives.

Depreciation is provided at the following rates:

- Permanent way - 2% per annum straight line
- Locomotives and rolling stock - 3.33% per annum straight line
- Buildings and plant - 2.5% to 33% per annum straight line
- Motor Vehicles - 25% per annum reducing balance
- Long leasehold property - over the period of the lease

In future all additions to tangible assets will be stated at cost. Where existing unimpaired fixed assets are stated at valuation, (carried out by a director of a subsidiary entity in 1978, based upon estimated open market values prevailing at that time), the group has taken advantage of the transitional arrangements in FRS 15 to retain the book values.

k) Stock

Stocks and work in progress are valued at lower of cost, including appropriate overhead expenses and net realisable value.

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

Prepayments are valued at the amount prepaid net of any trade discounts due.

m) Cash at bank and in hand

Cash at bank and cash 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.

n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o) Financial instruments

The trust 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.

p) Pensions

On 1st May 2014 the group established two new auto enrolment group personal pension schemes (AE).

Employer and employee contributions to these schemes are made in accordance with the rates laid down by government legislation and are charged in the year in which they arise. The FRS 17 liability in respect of the defined benefit scheme has been included in the financial statements.

2 Legal Status of the Trust

The Trust is an unincorporated charity and operated under a trust deed.

3 The summary financial performance of the charity alone

	2022 £	2021 £
Donations and Legacies	456,218	810,938
Investment Income	1,115	705
Interest Income	1,281	-
	458,613	811,643
Expenditure on charitable activities	570,511	420,230
Net Income/(Expense)	(111,898)	391,413
Other recognised gains/(losses) on investment assets	36,353	(91,443)
Total funds brought forward	1,824,803	1,524,833
Total funds carried forward	1,749,258	1,824,803
Represented by:		
Restricted Income funds	443,318	410,060
Unrestricted Income funds	1,305,940	1,414,743
	1,749,259	1,824,803

4 Income from donations and legacies

	2022 £	2021 £
Donations		
Gifts and Gift Aid	45,121	70,423
Donations	178,370	496,627
Legacies	232,727	243,888
	456,218	810,938

5. Income from charitable activities

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Incoming Resources		
Donations and Gifts	222,407	368,894
Legacies	232,727	-
Subtotal: Incoming resources from generated funds	455,134	368,894
Investment Income	1,115	705
Interest Receivable	1,281	
Subtotal: Incoming resources for generating funds	2,396	705
Total income from charitable events	457,530	369,599

6. Income earned from other activities

The Trust has two principal trading subsidiaries which are incorporated in the UK. The Festiniog Railway Company (in which the Trust has a controlling interest in each category of share) owns and operates the Ffestiniog and Welsh Highland Light Railway in North Wales. Ffestiniog Railway Holdings Ltd is a wholly owned subsidiary and trades as a travel and ticket agency and tour operator. A summary of their trading results (net of inter-company trading) is shown below. Accounts for both companies have been audited. Those for Ffestiniog Railway Holdings Ltd have been filed at Companies House and those for The Festiniog Railway Company are available on request from Harbour Station, Porthmadog, Gwynedd, LL49 9NF. In addition, The Festiniog Railway Company has three wholly owned subsidiaries, Welsh Highland Light Railway Ltd and Welsh Highland Railway Construction Ltd (both incorporated in the UK), which are involved in the revival of the Welsh Highland Railway and Ffestiniog Railway Heritage Limited which has had no trading activity during the period. Ffestiniog Futures Limited holds £250 of Festiniog Railway Company ordinary stock, of which some is jointly owned with others: in all cases, ownership will eventually revert to the company.

	Ffestiniog Railway Holdings Ltd £	The Festiniog Railway Company £	Ffestiniog Railway Heritage Ltd and Futures Limited £	Welsh Highland Light Railway Limited £	Welsh Highland Railway Construction Ltd £	2022 Total £	2021 Total £
Turnover	2,043,919	5,564,256	(100)	(1)	(2)	7,529,723	4,426,379
Cost of sales	(1,480,221)	(4,080,385)	-	-	-	(5,560,605)	(3,625,558)
Gross Profit	563,699	1,483,871	(100)	(1)	(2)	2,047,467	879,170
Administration expenses	(368,319)	(1,742,404)	-	-	-	(2,110,723)	(1,660,866)
Other operating income	9,000	522,364	-	-	-	531,364	1,667,302
Net interest receivable/(payable)	(7,893)	2,108	-	-	-	(5,785)	217
Net Profit/(Loss)	196,487	265,939	(100)	(1)	(2)	462,323	885,823
FRS 17 actuarial gain/(loss)						-	-
Tax on profit on ordinary activities	3,458	(3,943)	-	-	-	(485)	-
Minority interest in profits of subsidiary	-	20,751	-	-	-	20,751	179,720
Profits/(losses) attributable to the Trust	199,945	282,747	(100)	(1)	(2)	482,589	1,065,543
Net Profit/(Loss)	199,945	282,747	(100)	(1)	(2)	482,589	1,065,543

7 Investment Income

Some of the group's investment income of £3,399 (2021: £217) arises from money held in the trading subsidiaries.

8 Analysis of expenditure on charitable events

	General Fund £	Kyril Fund £	LYD £	P5 £	Workshop £	Emergency Appeal £	Total £
Grants	559,822	-	-	-	-	-	559,822
Sundries	335	-	-	-	-	-	335
Total	560,157	-	-	-	-	-	560,157

Expenditure on charitable activities was £531,684 (2021:£399,178) of which £48,449 was unrestricted (2021:£44,811).

9 Summary analysis of expenditure and related income for charitable activities

This table shows the cost of the main charitable activities and the sources of income directly to support those activities.

	General Fund £	Kyril Fund £	LYD £	P5 £	Workshop £	Emergency Appeal £	Total £
Direct grant support	559,822	-	-	-	1,281	-	561,103
Net cost funded from donations and legacies	559,822	-	-	-	1,281	-	561,103

Welsh Highland Railway Fund

Grants committed and paid in the year relate to construction and track works. The amount committed at the year end relates to construction works.

General Fund

The grants committed and paid during the year were mainly funding the continuing programme to restore more of the Ffestiniog Railway's historical carriages.

The grants remaining committed at the year end were for the restoration of some of the Ffestiniog Railway's carriages and improvements to historical buildings on the Ffestiniog Railway.

10 Analysis of governance and support costs

The Trust initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with governance costs are apportioned between the four key charitable activities undertaken (see note 8) in the year. Refer to the table below for the basis for apportionment and the analysis of support and governance costs.

Analysis of support and governance costs

	General support £	Governance function £	Total £	Basis of apportionment
Sundry Expenses	-	335	335	Invoiced
Auditors Remuneration	-	4,536	4,536	57.50%
Fund raising costs	4,537	-	4,537	Invoiced
Total	4,537	4,871	9,408	

Support and governance costs are £9,408 (2021: £25,722).

11 Net Income/(expenditure) for the year

	2022 £	2021 £
This is stated after charging:		
Depreciation	1,455,772	1,440,637
Release of grants against depreciation	(288,604)	(288,604)
Audit fees	4,536	4,320
Leasehold Amortisation	1,281	1,281
	1,172,985	1,157,634

12 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management

	2022 £	2021 £
Wages and salaries	2,428,063	2,221,296
Social security costs	174,010	176,988
Pension costs	39,910	46,397
	2,641,983	2,444,681

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

The charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the year (2021: £NIL)

13 Staff numbers

The average monthly number of full-time equivalent employees (including casual and part-time staff) during the year were as follows:

	2022 Number	2021 Number
Full Time	69	66
Part Time	21	8
Sesonal	38	28
	128	102

14 Related party transactions

The Ffestiniog and Welsh Highland Railways Trust has a controlling interest in the Festiniog Railway Company, and also owns all of the issued share capital of Ffestiniog Railway Holdings Ltd. During the year the trust made a number of grants for charitable purposes, all of which were in connection with the above mentioned companies. Further details of grants committed and paid during the year can be found in Note 8 to these accounts.

Further information concerning subsidiaries is provided in note 6.

15 Corporation Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

16 Tangible fixed assets - charity (also comprising that of the group)

	Long leasehold land and buildings £	Plant machinery and motor vehicles £	Total £	Charity only Trust Long Leasehold Property £
Cost:				
As at 1 January 2022	10,978,564	42,269,529	53,248,093	126,825
Additions	564,307	449,394	1,013,701	
(Disposals)	(22,250)	(600)	(22,850)	
	<u>11,520,621</u>	<u>42,718,323</u>	<u>54,238,944</u>	<u>126,825</u>
Depreciation/Amortisation:				
As at 1 January 2022	(4,745,923)	(10,970,965)	(15,716,888)	(29,463)
Charge for the year	(424,937)	(1,032,116)	(1,457,053)	(1,281)
Depreciation on disposal	22,250	-	22,250	-
Eliminated on disposal	<u>(5,148,610)</u>	<u>(12,003,081)</u>	<u>(17,151,691)</u>	<u>(30,744)</u>
Net book value:				
As at 1 January 2022	<u>6,424,172</u>	<u>31,107,032</u>	<u>37,531,204</u>	<u>97,362</u>
As at 31 December 2022	<u>6,372,011</u>	<u>30,715,242</u>	<u>37,087,253</u>	<u>96,081</u>

17 Investments

	Listed £	Unlisted £	Total £	Charity only		
				Listed £	Unlisted £	Total £
Group and Trust						
Cost or valuation:						
At 1 January 2021	246,354	5	246,359	246,354	31,351	277,705
Purchase of new	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Revaluation	30,800	-	30,800	30,800	-	30,800
Impairment	-	-	-	-	-	-
At 31 December 2021	277,154	5	277,159	277,154	31,351	308,505

The aggregate market value of the listed investments (all of which are listed on a recognised stock exchange) was as follows:

	2022 £	2021 £
General Fund (cost £9,869)	18,434	18,434
Restricted Funds:		
Kyral Fund (cost £90,607)	258,720	227,920
	277,154	246,354

The unlisted investments of the Trust are disclosed fully in the balance sheet of the Trust on page 8. The listed investment are held to provide an investment return.

18 Stock and WIP

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Stock	366,687	226,221	-	-
WIP	471,093	244,568	-	-
	837,780	470,789	-	-

19 Debtors

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	482,542	246,587	-	-
Other debtors	172,573	129,912	5,553	50,000
Taxation and social security	22,486	44,276	22,486	44,175
Prepayments and	-	-	-	-
Accrued income	264,457	130,202	-	-
	942,058	550,977	28,039	94,175

20 Creditors: amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Bank loan	5,139	10,928	-	-
Trade creditors	363,503	509,672	-	-
Other creditors	736,617	563,127	130,145	83,521
Accruals and deferred income	411,783	208,328	-	-
Taxation and social	-	-	-	-
Security costs	54,355	68,701	-	-
Corporation tax	245	-	-	-
	1,571,642	1,360,756	130,145	83,521

Deferred capital contributions are gifts and grants received by the Trust's subsidiary companies in respect of capital expenditure incurred by them.

21 Deferred income

	Group	Charity
	£	£
Balance as at 1 January 2022	208,328	-
Movement in year	(196,696)	-
Balance as at 31 December 2022	405,024	-

22 Creditors: amounts falling due after more than one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Deferred capital contributions	30,285,925	30,618,426	-	-
Bank Loan	-	-	-	-
Ffestiniog Railway 4% debenture stock	15,760	15,760	-	-
	30,301,685	30,634,186	-	-

23 Contingent Liabilities

The assets of one of the subsidiary companies of Trust, Welsh Highland Light Railway Ltd, are secured by way of a debenture being a fixed and floating charge in favour of The Millennium Commission as one of the conditions for that body providing funding for the rebuilding of the Welsh Highland Railway from Caernarfon to Rhyd Ddu. The legal agreement between the company and The Millennium Commission gives the Commission the power to take over the assets of the company in the event the company fails to reinstate the railway and commence passenger operations on terms agreed with The Millennium Commission.

Residual claims amounting to £164,000, relating to the construction of Phase 4 of the Welsh Highland Railway, have been received from contractors. The company disputes these claims and is of the view that nothing further is payable in respect of those contracts. At the present time it is not possible to quantify the eventual outcome of these claims.

24 Capital Commitment

The subsidiary entities had at 31 December 2022 nil (2021: nil) capital commitments contracted for but not provided for.

25 Pensions

One of the subsidiary companies of the Trust has put in place pension provisions for its staff.

Until 31 October 2001, the subsidiary company operated a funded defined benefit pension scheme providing benefits based on the final remuneration. The assets of that scheme are held separately from those of the company in an independently administered fund. The funding of the scheme is assessed in accordance with the advice of a qualified actuary on the basis of triennial valuations. This scheme was closed as a fully paid scheme on 31 October 2001. There are 34 deferred members of the scheme. As the scheme is closed, under the projected unit method the current service cost will increase as members approach retirement.

A full actuarial valuation was carried out as at 1 December 2017 and updated to 31 December 2021. All valuations were by a qualified independent actuary.

Employee Benefit Obligations

	2022 £	2021 £
Present value of funded obligations	(1,437,000)	(2,161,000)
Fair value of scheme assets	2,023,000	2,567,000
Present value of unfunded obligations	586,000	406,000
Unrecognised past service cost	-	-
Deficit	586,000	406,000
Related deferred tax asset	-	-
Net liability	586,000	406,000

Amounts in the balance sheet

Liabilities	-	-
Assets	586,000	406,000
Net liability	586,000	406,000

No account has been taken of any related deferred tax asset. The pension scheme assets did not include any shares issued by the subsidiary company or property occupied by the subsidiary company.

25 Pensions (Continued)

Amounts recognised in the Consolidated Statement of Financial Activities

	2022 £	2021 £
Current service cost	-	-
Interest on obligation	-	-
Expected return on scheme assets	(676,000)	(119,000)
Past service cost	38,000	(15,000)
Losses / (gains) on curtailments and settlements	458,000	(190,000)
Total	<u>(180,000)</u>	<u>(324,000)</u>
Actual return on scheme assets	(413,000)	219,000

Changes in the present value of the Defined Benefit Obligation

Opening defined benefit obligation	2,161,000	2,338,000
Service Cost	-	-
Interest Cost	40,000	28,000
Actuarial losses / (gains)	(642,000)	(133,000)
Losses / (gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed on business combinations	-	-
Exchange difference on foreign schemes	-	-
Benefits paid	(122,000)	(72,000)
Closed defined benefit obligation	<u>1,437,000</u>	<u>2,161,000</u>

Changes in the fair value of Plan Assets

Opening fair value of scheme assets	2,567,000	2,420,000
Expected return	45,000	29,000
Actuarial gains / (losses)	(467,000)	190,000
Assets distributed on settlements	-	-
Contributions by employer	-	-
Assets acquired in business combinations	-	-
Exchange difference on foreign schemes	-	-
Benefits paid	(122,000)	(72,000)
Closing fair value of scheme assets	<u>2,023,000</u>	<u>2,567,000</u>

25 Pensions (Continued)

Major Categories of Scheme Assets as a Percentage of Total Plan Assets

The assets of the scheme consist mainly of Managed Funds. The asset figures exclude assets relating to members' AVCs.

The major percentage split of the scheme assets as a percentage of total plan assets and the expected return were as follows:-

	2022		2021	
	2022 Asset Split £	Percentage Asset Split %	2021 Asset Split £	Percentage Asset Split %
Equities	940,000	43	1,116,000	43
Property	298,000	12	299,000	12
Fixed Interest	761,000	43	1,098,000	43
Cash	24,000	2	54,000	2
Total	2,023,000	100	2,567,000	100

The subsidiary company expects to make no contributions to its defined benefit pension scheme in 2021.

Principal Actuarial Assumptions as the Balance Sheet Date (expressed as weighted averages)

The assumptions used by the actuary are the best estimates chosen from a range of possible assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

	2022	2021
Discount rate at 31 December	4.7%	1.8%
Expected return on plan assets at 31 December*	1.8%	1.2%
Future revaluation in deferment	3.1%	2.7%
Future pension increases	3.1%	2.7%
Post retirement mortality	S2PXA, CMI 2019 with minimum improvement of 1.25% p.a.	S2PXA, CMI 2019 with minimum improvement of 1.25% p.a.
Life expectancy for 65 year old male	21.6	21.6
Life expectancy for 65 year old female	23.5	23.5

* The overall expected rate of return is calculated by weighing the individual rates in accordance with the anticipated balance in the plan's investment portfolio.

25 Pensions (Continued)

On 1 May 2014 the subsidiary company established two new auto enrolment group personal pension schemes (AE Schemes), one for monthly paid employees and one for weekly paid employees. Employer and employee contributions to these schemes are made in accordance with the rates laid down by government legislation.

The subsidiary company retains a stakeholder pension scheme for any staff who wish to join a company pension scheme but are not eligible to join the AE schemes. There are no company contributions to that scheme.

	2022 £	2021 £
The pension charges in the group profit and loss account for the period were:		
Closed defined benefit scheme	32,627	38,293
Current money purchase scheme	6,683	8,104
	<u>39,310</u>	<u>46,397</u>

The above amounts including administration costs in relation to the defined benefit scheme.

	2022 £	2021 £
Amounts recognised in the statement of total recognised gains and losses:		
The present value of unfunded obligations	<u>(586,000)</u>	<u>(406,000)</u>

26 Analysis of charitable funds

Analysis of movements in unrestricted funds

	Balance 1 January 2022 £	Incoming resources £	Resources expended £	Other recognised gains/ (losses) £	Transfers Between Funds £	Funds 31 December 2022 £
General Fund	1,414,743	453,094	(564,693)	-	2,795	1,305,941
Non Charitable Trading funds	6,541,590	7,721,522	(7,325,242)	180,000	-	7,117,870
	<u>7,956,333</u>	<u>8,174,616</u>	<u>(7,889,935)</u>	<u>180,000</u>	<u>2,795</u>	<u>8,423,809</u>

General fund The 'free reserves' after allowing for all designated funds.
Non Charitable Trading funds These are the funds of the subsidiary companies/

Analysis of movements in restricted fund	Balance 1 January 2022 £	Incoming resources £	Resources expended £	Other recognised gains/ (losses) £	Transfers Between Funds £	Funds 31 December 2022 £
Endowment	5	-	-	-	-	5
Ffestiniog Railway Fund	-	-	-	-	-	-
Kyral Fund	283,721	-	-	36,353 (233)	319,841
Workshop	99,924	-	(1,281)	- (2,562)	96,081
Welsh Highland Rly	-	-	-	-	-	-
Lyd Fund	1,308	1,085	-	-	-	2,393
P5	-	-	-	-	-	-
C2 Fund	25,000	-	-	-	-	25,000
Emergency Fund	-	-	-	-	-	-
	<u>409,958</u>	<u>1,085</u>	<u>(1,281)</u>	<u>36,353</u>	<u>(2,795)</u>	<u>443,319</u>
Non-controlling interests	<u>2,265,364</u>	<u>20,751</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,286,115</u>
	<u>10,631,655</u>	<u>8,196,452</u>	<u>(7,891,216)</u>	<u>216,353</u>	<u>-</u>	<u>11,153,242</u>

Restricted fund descriptions

Ffestiniog Railway Fund

This fund was set up as a general fund focussed entirely on the Ffestiniog Railway to attract monies from donors who wished their donation to be used exclusively for the benefit of the Ffestiniog Railway.

Kyral Fund

This fund was created to accommodate donations from a Trustee who wished to maintain control over which projects his donations would support. Effectively, therefore, the Trust is custodian trustee of the monies in that fund.

Workshop Fund

During 1999 the Trust received grants and donations amounting to £126,825 in order to construct a carriage and wagon workshop for the restoration of historical vehicles at Boston Lodge. The workshop has been constructed on land held on a 99 year lease from The Ffestiniog Railway Company and the expenditure is being amortised over the period of the lease.

Welsh Highland Fund

This fund was created to receive donations intended solely to contribute to the costs of re-opening the Welsh Highland Railway from Caernarfon to Porthmadog. Monies are used primarily to support reconstruction of the infrastructure i.e. track bed, the track itself, bridges, stations, etc., although some specific donations have been or will be used to support construction of the new first class carriages for the railway. This fund also includes the Pullman Fund which is now included within this Fund.

Locomotive Funds

These restricted funds relate to the funds held for the construction and restoration of the locomotives noted above.

27 Analysis of group net assets between funds

	Fixed Assets £	Investments £	Other net current assets/ (liabilities) £	Creditors of more than one year £	Total £
General	-	49,780	1,256,161	-	1,305,941
Endowment	-	5	-	-	5
Ffestiniog Railway Fund	-	-	-	-	-
Kyral Fund	-	258,720	61,120	-	319,840
Workshop	96,081	-	-	-	96,081
Welsh Highland Rly	-	-	-	-	-
P5 Sus Rail	-	-	-	-	-
Lyd Fund	-	-	2,391	-	2,391
C2 Fund	-	-	25,000	-	25,000
Emergency Appeal	-	-	-	-	-
Total	96,081	308,505	1,344,672	-	1,749,258