



THE FFESTINIOG AND WELSH HIGHLAND RAILWAYS TRUST

TRUSTEES' REPORT AND ACCOUNTS

For the year ended 31 December 2023

TRUSTEES' REPORT AND ACCOUNTS FOR THE YEAR TO 31 DECEMBER 2023

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 dated 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 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.

A very considerable collection of artefacts, records and ephemera exists concerning the railways. These are no longer required directly for the railways' operation and maintenance but constitute a most important and historically significant record, resource and responsibility. Trustees ensure that arrangements are in place for the care and continued safe storage of these items and, where appropriate, their maintenance. 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. Trustees and the Company have consulted during 2022 as to whether this remains the most appropriate way to safeguard the railways' heritage. Whilst constraints of finance and space mean it is not currently possible to mount a permanent display, nevertheless, the complete pre-1954 archive is now available at Gwynedd Archives in Caernarfon.

() 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
S B Cheetham
Daubentons
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HR8 1NP

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 2023

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 2023.

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 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 2023, income from legacies was £832,486 (2022 £232,727) and from gifts and donations was £593,126 (2022 £178,370). Total income in 2023 was £1,452,390 (2022 £457,530). This is significantly above the average figure for the previous five years (£722,700) due to the continued success of the Diamond Jubilee Appeal as well as a number of other generous donations and legacies.

Annual governance costs over the last five years have averaged £17,853 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 the funding of new projects received by the Trust from the Company, commitments were made to fund work on locomotive and carriage overhauls and refurbishment, as well as on remodelling WHR facilities at Dinas. These commitments will be drawn down by the Company over time as grants as the work is completed.

In 2023 the Company drew down £354,095 (2022 £519,495) against earlier commitments concerning the Trust's contribution towards the match funding of the NLHF's Boston Lodge project, associated development at Boston Lodge outside the scope of the NLHF project, as well as other infrastructure improvements.

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 2023.

At the Company AGM, Trustees (as majority shareholder) supported a resolution that Messrs Scarisbrick and Cole be appointed Directors of the Company.

During the year work continued 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. This substantial (£5.2million) project is on track to be delivered on time and on budget.

"The Regenerative Railway", published towards the end of 2022, was widely distributed to friends and supporters of the railways during 2023. 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 2023, the Company continued with efficiency measures introduced to combat the effects of the pandemic. Traffic receipts were higher than in 2022 but there were increases in the costs of employment and the cost of coal remained very high. Nevertheless the Company made an operating surplus of £34,444 (2022 £87,190) which, as always, was reinvested into basic expenditure on maintenance or routine projects on the infrastructure for the railways.

The travel business, operated by Ffestiniog Holdings Ltd, continued to enjoy very considerably improved trading conditions in 2023 having recovered the ground lost during the pandemic. This enabled the generation of a profit of £354,233 which was used to rebuild reserves (essential for a travel business) and to resume payment of donations to the Trust. A donation of £100,000 was paid to the Trust by Ffestiniog Holdings Ltd in 2023.

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 Landscape 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 a UNESCO World Heritage site (part of The Slate Landscape of North West 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 sponsor 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 supplemented by a Relationship Agreement dated October 6th, 2023 This replaced earlier Memoranda of Understanding between the Trust and the Company dated 26 July 2010 and 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.

Richard Broyd's term as a Trustee ended on 31 December 2022 and he was reappointed 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 2023 there were no Emeritus Trustees.

Julian Scarisbrick became a Director of The Company during 2023. Trustees appointed Stephen Cheetham as Trust Treasurer with effect from February 2024.

The Trustees met formally on three occasions in 2023. 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

principle 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 2023.

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 2023, total consolidated reserves were £10,109,856 (2022: £8,867,129) of which £203,962 (2022: £443,320) were in restricted funds.

On behalf of the Trustees

Trustee

Date; 14/06/2024

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 2023 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 2023 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 Barrett (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: 14/06/2024

The Ffestiniog and Welsh Highland Railways Trust
Consolidated Statement of Financial Activities
(including consolidated income and expenditure account)
for year ending 31 December 2023

	Note	Unrestricted Funds £	Restricted Funds £	Total funds 2023 £	Total funds 2022 £
Income:					
Donations and legacies	4	1,238,459	187,153	1,425,611	456,218
<i>Income from other trading activities:</i>					
Commercial trading operations	6	10,051,737	-	10,051,737	7,616,761
Investment income	7	46,862	2,425	49,287	4,514
Other Income	6	1,661,363	-	1,661,363	98,208
Total income		12,998,421	189,578	13,187,998	8,175,701
Expenditure					
<i>Costs of raising funds:</i>					
Commercial trading operations	6/10	11,461,828	-	11,461,828	7,330,113
<i>Expenditure on charitable activities:</i>					
Grants committed	8	72,347	281,748	354,095	561,103
Total expenditure		11,534,175	281,748	11,815,923	7,891,216
Net income/(expenditure) and net movement in funds for the year		1,464,246	(92,170)	1,372,075	284,485
Transfers between funds		(91,975)	91,975	-	-
Other recognised gains/(losses)					
Gains/(losses) on investment assets		814	(239,162)	(238,348)	36,353
Actuarial gains/(losses) on defined benefit pension schemes		109,000	-	109,000	180,000
Net movement in funds		1,482,085	(239,358)	1,242,727	500,838
Reconciliation of funds					
Total funds brought forward		8,423,809	443,320	8,867,129	8,366,293
Total funds carried forward		9,905,894	203,962	10,109,856	8,867,131

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 2023

	Note	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Fixed assets					
Tangible Assets	16	37,217,525	37,087,253	94,800	96,081
Investments	17	19,365	277,159	50,711	308,505
Total fixed assets		37,236,890	37,364,412	145,511	404,586
Current assets					
Stock and WIP	18	770,865	837,780	-	-
Debtors	19	875,760	942,058	46,160	28,039
Cash at bank and in hand		4,689,866	3,296,321	2,563,172	1,446,780
Total current assets		6,336,491	5,076,159	2,609,332	1,474,819
Liabilities					
Creditors falling due within 1 year	20	1,748,273	1,571,642	153,458	130,145
Net Current assets		4,588,218	3,504,517	2,455,874	1,344,674
Total assets less current liabilities		41,825,108	40,868,929	2,601,385	1,749,260
Creditors falling due after more than 1 year	22	30,115,588	30,301,685	-	-
Defined benefit pension scheme	25	695,000	586,000	-	-
Net assets		12,404,520	11,153,244	2,601,385	1,749,260
The funds of the charity:	26				
Unrestricted income funds		9,905,894	8,423,809	2,397,423	1,305,940
Restricted income funds		203,962	443,320	203,962	443,320
Non-controlling interest		2,294,663	2,286,115	-	-
Total charity funds		12,404,520	11,153,244	2,601,385	1,749,260

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
Dr J D

Date: 14/06/2024

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The Ffestiniog and Welsh Highland Railways Trust
Statement of Cash Flows and Consolidated Statement of Cash Flows
for year ending 31 December 2023

	<u>Year ended</u> <u>31/12/2023</u>	<u>Year ended</u> <u>31/12/2022</u>
	£	£
Net incoming resources before revaluations	1,242,727	284,485
Investment income less interest payable	(49,287)	(4,514)
Depreciation	1,503,832	1,455,377
Release of grant against depreciation	(288,604)	-
Pension fund non-cash movement	109,000	-
(Profit) / Loss on disposal of assets	-	36,353
Loss on Investments	238,546	(30,800)
(Increase) / decrease in debtors	66,298	(391,081)
(Increase) / decrease in stock	66,915	(366,991)
Increase / (decrease) in creditors	176,631	210,886
Increase / (decrease) in long term creditors	(186,097)	(332,501)
Cash from operations	<u>2,879,961</u>	<u>861,214</u>

CASH FLOW STATEMENT

Net cash inflow from operating activities	2,879,961	861,214
Returns on investments and servicing of finance	-	-
Cash Flows from investing activities		
(Gain)/Loss on investments	238,546	36,353.00
Purchase of investments	-	-
Disposal of investments	(19,248)	-
Capital expenditure and financial investment	(1,634,289)	(1,111,586)
Proceeds on disposal of assets	-	-
Taxation		
Tax paid	28,583	-
Cash flows from financing activities		
Repayment of interest free loan	(100,000)	100,000
Repayment of bank loan	-	-
Cancellation of Debenture Stock	-	-
Increase/(decrease) in cash and cash equivalents in the year	<u>1,393,553</u>	<u>(114,020)</u>

Reconciliation of net cash flow to movement in net cash and liquid resources

Increase/(Decrease) in cash in the year	1,393,553	(114,020)
Cash and liquid resources at 1 January	3,296,321	3,410,341
Cash and liquid resources as at 31 December	<u>4,689,875</u>	<u>3,296,321</u>

Reconciliation of net cash flow to movement in net debt

Change in cash in year	1,393,553	(212,344)
Net movement on loans	-	-
Net debt at 1 January	2,806,533	3,018,877
Net debt at 31 December	<u>4,200,087</u>	<u>2,806,533</u>

Analysis of net cash and liquid resources

	At 01/01/23	Movement in year	At 31/12/23 in year
	£	£	£
Cash at bank and in hand	3,301,460	1,388,415	4,689,875
Bank overdraft	(5,139)	5,139	-
	<u>3,197,997</u>	<u>1,393,554</u>	<u>4,689,875</u>

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

	2023	2022
	£	£
Donations and Legacies	1,425,611	456,218
Investment Income	1,148	1,115
Interest Income	25,630	1,281
	1,452,390	458,613
Expenditure on charitable activities	361,914	570,511
Net Income/(Expense)	1,090,475	(111,898)
Other recognised gains/(losses) on investment assets	(238,348)	36,353
Total funds brought forward	1,749,258	1,824,803
Total funds carried forward	2,601,385	1,749,258
Represented by:		
Restricted Income funds	203,962	443,318
Unrestricted Income funds	2,397,423	1,305,940
	2,601,385	1,749,259

4 Income from donations and legacies

	2023	2022
	£	£
Donations		
Gifts and Gift Aid	54,336	45,121
Donations	538,791	178,370
Legacies	832,486	232,727
	1,425,612	456,218

5. Income from charitable activities

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Incoming Resources		
Donations and Gifts	593,126	222,407
Legacies	832,486	232,727
Subtotal: Incoming resources from generated funds	1,425,612	455,134
Investment Income	1,148	1,115
Interest Receivable	25,630	1,281
Subtotal: Incoming resources for generating funds	26,778	2,396
Total income from charitable events	1,452,390	457,530

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 Ffestiniog Futures Limited £	Welsh Highland Light Railway Limited £	Welsh Highland Railway Construction Ltd £	2023 Total £	2022 Total £
Turnover	2,796,345	7,263,416	-	-	-	9,981,411	7,529,723
Cost of sales	(1,946,319)	(6,257,721)	-	-	-	(8,204,040)	(5,560,605)
Gross Profit	850,026	1,005,694	-	-	-	1,855,720	2,047,467
Administration expenses	(475,925)	(1,953,816)	-	-	-	(2,429,741)	(2,110,723)
Other operating income	-	1,077,773	-	-	-	1,077,773	531,364
Net interest receivable/(payable)	8,716	13,794	-	-	-	22,509	(5,785)
Net Profit/(Loss)	382,816	143,445	-	-	-	526,261	462,323
FRS 17 actuarial gain/(loss)	-	-	-	-	-	-	-
Tax on profit on ordinary activities	(28,583)	-	-	-	-	(28,583)	(485)
Minority interest in profits of subsidiary	-	8,548	-	-	-	8,548	20,751
Profits/(losses) attributable to the Trust	354,233	151,993	-	-	-	506,226	482,589
	354,233	151,993	-	-	-	506,226	482,589

7 Investment Income

Some of the group's investment income of £1,148 (2022: £1,115) arises from money held in the trading subsidiaries.

8 Analysis of expenditure on charitable events

	General Fund £	Kyril Fund £	LYD £	DJA/Regenerative Railway £	Workshop £	Emergency Appeal £	Total £
Grants	73,628	-	-	280,467	-	-	354,095
Sundries	319	-	-	-	-	-	319
Total	73,947	-	-	280,467	-	-	354,414

Expenditure on charitable activities was £354,414 (2022: £570,511) of which £73,947 was unrestricted (2022: £564,693).

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 £	DJA/Regenerative Railway £	Workshop £	Emergency Appeal £	Total £
Direct grant support	354,095	-	-	-	1,281	-	355,376
Net cost funded from donations and legacies	354,095	-	-	-	1,281	-	355,376

General Fund

The grants committed and paid during the year relate primarily to the maintenance and repair of the Railways' carriage and locomotive fleet as well as to the infrastructure improvements at Boston Lodge and Dinas.

Grants remaining committed at the year end also related to these expenditure categories.

Diamond Jubilee Appeal/Regenerative Railway

Grants committed and paid during the year relate primarily to match funding for the Boston Lodge regeneration project supported by the National Lottery Heritage Fund. Funding was also provided for improved signalling systems on the Welsh Highland 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	-	319	319	Invoiced
Auditors Remuneration	-	4,920	4,920	57.50%
Fund raising costs	1,300	-	1,300	Invoiced
Total	1,300	5,239	6,539	

Support and governance costs are £6,539 (2022: £9,408).

11 Net Income/(expenditure) for the year

	2023 £	2022 £
This is stated after charging:		
Depreciation	1,502,732	1,455,772
Release of grants against depreciation	(288,604)	(288,604)
Audit fees	4,920	4,536
Leasehold Amortisation	1,281	1,281
	1,220,329	1,172,985

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

	2023 £	2022 £
Wages and salaries	3,148,455	2,428,063
Social security costs	265,356	174,010
Pension costs	40,513	39,910
	3,454,324	2,641,983

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 (2022:£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:

	2023 Number	2022 Number
Full Time	78	69
Part Time	17	21
Sesonal	36	38
	131	128

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 2023	11,520,621	42,718,323	54,238,944	126,825
Additions	1,270,445	363,844	1,634,289	
(Disposals)	-	-	-	
	<u>12,791,066</u>	<u>43,082,167</u>	<u>55,873,233</u>	<u>126,825</u>
Depreciation/Amortisation:				
As at 1 January 2023	(5,148,610)	(12,003,081)	(17,151,691)	(30,744)
Charge for the year	(911,710)	(592,307)	(1,504,017)	(1,281)
Depreciation on disposal	-	-	-	-
Eliminated on disposal	-	-	-	-
	<u>(6,060,320)</u>	<u>(12,595,388)</u>	<u>(18,655,708)</u>	<u>(32,025)</u>
Net book value:				
As at 1 January 2023	<u>6,372,011</u>	<u>30,715,242</u>	<u>37,087,253</u>	<u>96,081</u>
As at 31 December 2023	<u>6,730,746</u>	<u>30,486,779</u>	<u>37,217,525</u>	<u>94,800</u>

17 Investments

	Listed £	Unlisted £	Total £	Charity only		
				Listed £	Unlisted £	Total £
Group and Trust						
Cost or valuation:						
At 1 January 2023	277,154	5	277,159	277,154	31,351	308,505
Purchase of new	-	-	-	-	-	-
Disposals	(19,248)	-	(19,248)	(19,248)	-	(19,248)
Revaluation	(238,546)	-	(238,546)	(238,546)	-	(238,546)
Impairment	-	-	-	-	-	-
At 31 December 2023	19,360	5	19,365	19,360	31,351	50,711

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

	2023 £	2022 £
General Fund (cost £9,869)	-	18,434
Restricted Funds:		
Kyral Fund (cost £90,607)	19,360	258,720
	19,360	277,154

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	
	2023 £	2022 £	2023 £	2022 £
Stock	490,308	366,687	-	-
WIP	280,557	471,093	-	-
	770,865	837,780	-	-

19 Debtors

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	214,667	482,542	-	-
Other debtors	46,955	172,573	24,998	5,553
Taxation and social security	160,751	22,486	21,161	22,486
Prepayments and				
Accrued income	453,387	264,457	-	-
	875,760	942,058	46,160	28,039

20 Creditors: amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Bank loan	-	5,139	-	-
Unsecured Loans	98,261	-	-	-
Trade creditors	272,813	363,503	-	-
Other creditors	290,029	736,617	-	-
Accruals and deferred income	956,961	411,783	153,458	130,145
Taxation and social	-	-	-	-
Security costs	-	54,355	-	-
Corporation tax	130,209	245	-	-
	1,748,273	1,571,642	153,458	130,145

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 2023	405,024	-
Movement in year	(551,937)	-
Balance as at 31 December 2023	956,961	-

22 Creditors: amounts falling due after more than one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Deferred capital contributions	30,099,828	30,285,925	-	-
Bank Loan	-	-	-	-
Ffestiniog Railway 4% debenture stock	15,760	15,760	-	-
	30,115,588	30,301,685	-	-

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 2023 nil (2022: 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 29 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 2010 and updated to 31 December 2023. All valuations were by a qualified independent actuary.

Employee Benefit Obligations

	2023 £	2022 £
Present value of funded obligations	(1,437,000)	(1,437,000)
Fair value of scheme assets	2,132,000	2,023,000
Present value of unfunded obligations	695,000	586,000
Unrecognised past service cost	-	-
Deficit	695,000	586,000
Related deferred tax asset	-	-
Net liability	695,000	586,000

Amounts in the balance sheet

Liabilities	-	-
Assets	695,000	586,000
Net	695,000	586,000

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

	2023 £	2022 £
Current service cost	-	-
Interest on obligation	-	-
Expected return on scheme assets	(47,000)	(676,000)
Past service cost	8,000	38,000
Losses / (gains) on curtailments and settlements	(70,000)	458,000
Total	<u>(109,000)</u>	<u>(180,000)</u>
Actual return on scheme assets	164,000	(413,000)

Changes in the present value of the Defined Benefit Obligation

Opening defined benefit obligation	1,437,000	2,161,000
Service Cost	-	-
Interest Cost	69,000	40,000
Actuarial losses / (gains)	(14,000)	(642,000)
Losses / (gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed on business combinations	-	-
Exchange difference on foreign schemes	-	-
Benefits paid	(55,000)	(122,000)
Closed defined benefit obligation	<u>1,437,000</u>	<u>1,437,000</u>

Changes in the fair value of Plan Assets

Opening fair value of scheme assets	2,023,000	2,567,000
Expected return	94,000	45,000
Actuarial gains / (losses)	70,000	(467,000)
Assets distributed on settlements	-	-
Contributions by employer	-	-
Assets acquired in business combinations	-	-
Exchange difference on foreign schemes	-	-
Benefits paid	(55,000)	(122,000)
Closing fair value of scheme assets	<u>2,132,000</u>	<u>2,023,000</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:-

	2023	2023		2022
	Asset	Percentage		Percentage
	Split	Asset		Asset
	£	Split		Split
		%		%
Equities	856,000	40	940,000	43
Property	318,000	15	298,000	12
Fixed Interest	922,000	43	761,000	43
Cash	36,000	2	24,000	2
Total	<u>2,132,000</u>	<u>100</u>	<u>2,023,000</u>	<u>100</u>

The subsidiary company expects to make no contributions to its defined benefit pension scheme in 2023.

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.

	2023	2022
Discount rate at 31 December	4.5%	4.7%
Expected return on plan assets at 31 December*	4.7%	1.8%
Future revaluation in deferment	2.9%	3.1%
Future pension increases	3.1%	3.1%
Post retirement mortality	S2PXA, CMI 2022 with minimum of 1.25% pa	S2PXA, CMI 2019 with minimum improvement of 1.25% p.a.
Life expectancy for 65 year old male	21.1	21.6
Life expectancy for 65 year old female	23.2	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.

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 pension charges in the group profit and loss account for the period were:

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

The present value of unfunded obligations

26 Analysis of charitable funds

	Balance 1 January 2023 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Transfers Between Funds £	Funds 31 December 2023 £
General Fund	1,305,941	1,263,937 (359,334)	814 (91,975)	2,119,380
Non Charitable Trading funds	7,117,870	11,734,484 (11,174,841)	109,000	-	7,786,513
	8,423,811	12,998,421	(11,534,175)	109,814	(91,975)	9,905,894

The 'free reserves' after allowing for all designated funds.
These are the funds of the subsidiary companies

Balance 1 January 2023	Incoming resources	Resources expended	Other recognised gains/(losses)	Transfers Between Funds	Funds 31 December 2023
£	£	£	£	£	£
5	-	-	-	-	5
319,841	-	-	(239,162)	-	80,679
96,081	-	(1,281)	-	-	94,800
2,393	1,085	-	-	-	3,478
-	188,492	(280,467)	-	91,975	-
25,000	-	-	-	-	25,000
443,319	189,577	(281,748)	(239,162)	91,975	203,962
2,286,115	8,548	-	-	-	2,294,663
11,153,244	13,196,546	(11,815,923)	(129,348)	-	12,404,520

Restricted fund descriptions

Kyrat 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.

Lyd and C2 Locomotive Funds

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

Diamond Jubilee Appeal/Regenerative Railway

This fund was created as part of the Diamond Jubilee Appeal to raise resources for the realisation of the Trust's long-term vision for the future of both Railways. Funds raised so far have been spent on the regeneration of Boston Lodge Engineering Works as well as other infrastructure improvements.

27 Analysis of group net assets between funds

	Fixed Assets £	Investments £	Other net current assets/ (liabilities) £	Creditors of more than one year £	Total £
General	-	19,360	2,378,065	-	2,397,425
Endowment	-	5	-	-	5
Kyrat Fund	-	19,360	61,318	-	80,678
Workshop	94,800	-	-	-	94,800
DJA/Regenerative Railway	-	-	-	-	-
Lyd Fund	-	-	3,477	-	3,477
C2 Fund	-	-	25,000	-	25,000
					-
Total	94,800	38,725	2,467,860	-	2,601,385