

THE FFESTINIOG AND WELSH HIGHLAND RAILWAYS TRUST

TRUSTEES' REPORT AND ACCOUNTS

For the year ended 31 December 2024

TRUSTEES' REPORT AND ACCOUNTS FOR THE YEAR TO 31 DECEMBER 2024

PROFILE

A Festiniog Railway Trust was created in 1954 when the late Mr. Alan Pegler provided funds to acquire a controlling interest in The Festiniog Railway Company (the "Company") and arranged for stock to be transferred directly to the Trust from previous shareholders. The aim 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 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 wholly owned trading company, Ffestiniog Railway Holdings Limited. This exploits commercial opportunities, notably the Ffestiniog Travel business, that are not possible for the Company.

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 and some, but not all, major renewals will be covered by its annual revenues. 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 considerable collection of artefacts, records and ephemera exists concerning the railways. No longer required for the railways' operation and maintenance, these constitute an important and historically significant record and responsibility. Trustees seek to ensure that arrangements are in place for the continued safe keeping of these items and their maintenance. Ffestiniog and Welsh Highland Railways Heritage Limited (FfWHRHL), with Directors nominated by the Trustees, 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. Trustees and the Company have consulted on whether this remains the most appropriate way to safeguard the railways' heritage. As a result FfWHRHL will be wound up in 2025 and alternative arrangements put in place. Constraints of finance and space mean it is not currently possible to mount a permanent display of historic artefacts. However, 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 Staplow Ledbury 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 2024

TRUSTEES

Dr J D C A Prideaux CBE (Chairman): Mr R Broyd CBE: Dr D R Gwyn OBE;

Mr D R Jones: Mr M L Smith

The Trustees present their report and the accounts for the year ended 31 December 2024.

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), donations from Ffestiniog Travel and from investment income. In 2024, income from legacies was £181,615 (2023: £832,486) and from all gifts and donations (including from Ffestiniog Travel) was £531,211 (2023: £593,126). Total income in 2024 was £829,887 (2023: £1,452,390). Total income in 2024 was in line with that of the last several years, total income in 2023 having been boosted by a particularly large and generous legacy.

Annual governance costs over the last five years have averaged £16,302 of which about two thirds are fundraising costs and the bulk of the remainder 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 projects from the Company, new commitments totalling £470,000 (2023: £1,120,000) were made. Commitments in 2024 included a very sizeable commitment for remodelling at Dinas. Commitments were also made to fund work on the upgrading of facilities at Boston Lodge, locomotive refurbishment, conversion of WHR service cars to more environmentally friendly battery operation, a new tool van for PW operations, major overhaul of Pulman observation car *Glaslyn*, scoping for improved facilities at Beddgelert station and purchase of a historically important building adjacent to our facilities at Minffordd. These commitments will be drawn down by the Company as grants over time as the work is completed.

In 2024 the Company drew down £893,389 (2023: £354,095) against earlier commitments. This included the Trust's contribution towards the match funding of the NLHF's Boston Lodge project, enhanced facilities at Boston Lodge outside the scope of the NLHF project, repair and refurbishment of the tollgate steps, refurbishment of Pulman car *Bodysgallen*, creation of a PW tool van, conversion of the WHR service cars to battery operation, the major overhaul of two steam locomotives, installation of micro ETS on the WHR, the commencement of remodelling at Dinas and construction of replica NWNGR Ashbury brakevans.

In 2024 the Board of Ffestiniog and Welsh Highland Railways Heritage Ltd (FfWHRHL), wholly owned by the Company, 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. Trustees and the Company have consulted on whether this remains the most appropriate way to safeguard the railways' heritage. As a result, FfWHRHL will be wound up in 2025 and alternative arrangements put in place.

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 2024.

At the Company AGM 2024, Trustees (as majority shareholder) supported a resolution that Jo Charles, Colin Lea and Henry Noon be appointed Directors of the Company.

During the year work continued on the "Interpretation and Boston Lodge Project" supported by the National Lottery Heritage Fund (NLHF). This is a substantial (£5.2million) project which has been delivered on budget and with only minimal delay. The Trust (along with The Festiniog Railway Society) have provided substantial grants to match the NLHF contribution. Restoration of heritage buildings was completed during 2024. Interpretation aspects of the project, which include guided tours of Boston Lodge and workshops teaching heritage skills, were initiated during 2024 and will continue through 2025.

"The Regenerative Railway", published towards the end of 2022, sets out the vision, strategy and roadmap for the railways over the next decade or so. The title of this document reflects our intent to develop the railway sustainably without losing that which is excellent and which we have inherited from previous generations. As a consequence we aim to pass on to future generations a railway which is thriving, rewarding to supporters, neighbours and customers and well positioned for its third century of operation.

During 2024, the Company continued and extended efficiency measures introduced originally to combat the effects of the pandemic. Traffic receipts were essentially flat versus 2023 but there were increases in the costs of employment and the cost of coal remained very high. Nevertheless the Company was essentially at breakeven in 2024 having made a surplus of £34,444 in 2023. Any surplus is always reinvested into basic expenditure on maintenance or routine projects on the infrastructure for the railways.

Ffestiniog Travel, operated by Ffestiniog Railway Holdings Ltd, continued to enjoy very considerably improved trading conditions in 2024 having recovered the ground lost during the

pandemic. A profit of £365,334 (2023: £382,088) was used to maintain reserves (essential for a travel business) and to resume payment of charitable donations to the Trust. A donation of £310,000 was paid to the Trust by Ffestiniog Holdings Ltd in 2024.

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 has included 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

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.

Dr D W Roberts MBE retired as a Trustee and Mr D R Jones was appointed his successor with effect from 23 February 2024. Mr Jones will serve the remainder of Dr Roberts term until 31 December 2027.

A retiring Trustee may be appointed as an Emeritus Trustees for a period of three years. They are not Trustees but attend meetings of the Trustees by invitation in order to make their experience available to the Trust. In February 2024 Dr D W Roberts MBE became an Emeritus Trustee.

Julian Scarisbrick, previously Trust Treasurer, 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 2024. 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 a 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. Subsequent annual reviews have confirmed that the risk register remains appropriate.

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 2024.

Impact of Corona Virus

Any residual impacts from the corona virus pandemic have been consolidated into Trust and company operating procedures.

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 2024, total consolidated reserves were £10,159,012 (2023: £10,109,856) of which £184,432 (2023: £203,962) were in restricted funds.

Dr J D Prideaux

On behalf of the Trustees

13 June 2025

The Ffestiniog and Welsh Highland Railways Trust
Consolidated Statement of Financial Activities
(including consolidated income and expenditure account)
for year ending 31 December 2024

	Note	Unrestricted Funds £	Restricted Funds £	Total funds 2024 £	Total funds 2023 £
Income:					
Donations and legacies	4	711,946	879	712,825	1,425,611
<i>Income from other trading activities:</i>					
Commercial trading operations	6	10,369,157	-	10,369,157	10,051,737
Investment income	7	153,219	232	153,451	49,287
Other Income	6	1,709,686	-	1,709,686	1,661,363
Total income		12,944,008	1,111	12,945,119	13,187,998
Expenditure					
<i>Costs of raising funds:</i>					
Commercial trading operations	6/10	12,083,967	-	12,083,967	11,460,547
<i>Expenditure on charitable activities:</i>					
Grants committed	8	892,108	1,281	893,389	355,376
Total expenditure		12,976,075	1,281	12,977,356	11,815,923
Net income/(expenditure) and net movement in funds for the year		(32,067)	(170)	(32,237)	1,372,075
Transfers between funds		-	-	-	-
Other recognised gains/(losses)					
Gains/(losses) on investment assets		-	(19,360)	(19,360)	(238,348)
Actuarial gains/(losses) on defined benefit pension schemes		96,000	-	96,000	109,000
Net movement in funds		63,933	(19,530)	44,403	1,242,727
Reconciliation of funds					
Total funds brought forward		9,905,894	203,962	10,109,856	8,867,129
Total funds carried forward		9,969,827	184,432	10,154,259	10,109,856

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 2024

	Note	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Fixed assets					
Tangible Assets	16	37,480,087	37,217,525	93,519	94,800
Investments	17	5	19,365	31,351	50,711
Total fixed assets		37,480,092	37,236,890	124,870	404,586
Current assets					
Stock and WIP	18	515,581	770,865	-	-
Debtors	19	1,649,258	875,760	26,259	46,160
Cash at bank and in hand		5,052,896	4,689,866	2,711,691	2,563,172
Total current assets		7,217,735	6,336,491	2,737,950	1,474,819
Liabilities					
Creditors falling due within 1 year	20	2,567,382	1,748,273	355,678	153,458
Net Current assets		4,650,353	4,588,218	2,382,272	1,344,674
Total assets less current liabilities		42,130,445	41,825,108	2,507,142	1,749,260
Creditors: falling due after more than 1 year	22	30,470,343	30,115,588	-	-
Defined benefit pension scheme	25	791,000	695,000	-	-
Net assets		12,451,102	12,404,520	2,507,142	1,749,260
The funds of the charity:	26				
Unrestricted income funds		9,969,827	9,905,894	2,322,712	2,397,425
Restricted income funds		184,432	203,962	184,430	203,960
Non-controlling interest		2,296,843	2,294,664	-	-
Total charity funds		12,451,102	12,404,520	2,507,142	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 Prideaux on behalf of the trustees

Date:.....

The Ffestiniog and Welsh Highland Railways Trust
Statement of Cash Flows and Consolidated Statement of Cash Flows
for year ending 31 December 2024

	Year ended 31/12/2024	Year ended 31/12/2023
	£	£
Net incoming resources before revaluations	44,403	1,242,727
Investment income less interest payable	(153,451)	(49,287)
Depreciation	1,536,488	1,503,828
Release of grant against depreciation	(288,604)	(288,604)
Pension fund non-cash movement	96,000	109,000
(Profit) / Loss on disposal of assets	-	-
Loss on Investments	-	238,546
(Increase) / decrease in debtors	(773,498)	66,298
(Increase) / decrease in stock	255,284	66,915
Increase / (decrease) in creditors	819,109	176,631
Increase / (decrease) in long term creditors	354,755	(186,097)
Cash from operations	1,890,486	2,879,957

CASH FLOW STATEMENT

Net cash inflow from operating activities	1,890,486	2,879,957
Returns on investments and servicing of finance	-	-
Cash Flows from investing activities		
(Gain)/Loss on investments	(19,360)	238,546.00
Purchase of investments	-	-
Disposal of investments	-	(19,248)
Capital expenditure and financial investment	(2,213,098)	(1,634,289)
Proceeds on disposal of assets	-	-
Taxation		
Tax paid	18,801	28,583
Cash flows from financing activities		
Repayment of interest free loan	-	(100,000)
Repayment of bank loan	-	-
Cancellation of Debenture Stock	-	-
Increase/(decrease) in cash and cash equivalents in the year	(323,171)	1,393,549

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

Increase/(Decrease) in cash in the year	(323,171)	1,393,549
Cash and liquid resources at 1 January	4,689,870	3,296,321
Cash and liquid resources as at 31 December	4,366,699	4,689,870

Reconciliation of net cash flow to movement in net debt

Change in cash in year	(323,171)	1,393,553
Net movement on loans	-	-
Net debt at 1 January	4,200,086	2,806,533
Net debt at 31 December	3,876,915	4,200,086

Analysis of net cash and liquid resources

	At 01/01/24	Movement in year	At 31/12/24 in year
	£	£	£
Cash at bank and in hand	4,689,875	(323,171)	4,366,704
Bank overdraft	-	-	-
	4,689,875	(323,171)	4,366,704

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

	2024	2023
	£	£
Donations and Legacies	712,825	1,425,611
Investment Income	6,367	1,148
Interest Income	110,695	25,630
	829,887	1,452,389
Expenditure on charitable activities	904,769	361,915
Net Income/(Expense)	(74,882)	(1,090,474)
Other recognised gains/(losses) on investment assets	(19,360)	(238,348)
Total funds brought forward	2,601,384	1,749,258
Total funds carried forward	2,507,142	2,601,384
Represented by:		
Restricted Income funds	184,430	203,960
Unrestricted Income funds	2,322,712	2,397,424
	2,507,142	2,601,384

4 Income from donations and legacies

	2024	2023
	£	£
Donations		
Gifts and Gift Aid	40,844	54,335
Donations	490,367	538,791
Legacies	181,615	832,486
	712,825	1,425,612

5. Income from charitable activities

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Incoming Resources		
Donations and Gifts	530,331	593,126
Legacies	181,615	832,486
Subtotal: Incoming resources from generated funds	711,946	1,425,612
Investment Income	6,135	1,148
Interest Receivable	110,695	25,630
Subtotal: Incoming resources for generating funds	116,829	26,778
Total income from charitable events	828,775	1,452,390

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 Festiniog 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 £	2024 Total £	2023 Total £
Turnover	3,043,510	7,342,061	-	-	-	10,385,571	9,981,411
Cost of sales	(2,489,487)	(6,198,515)	-	-	-	(8,688,002)	(8,204,040)
Gross Profit	554,023	1,143,546	-	-	-	1,697,568	1,855,720
Administration expenses	(521,030)	(2,655,658)	-	-	(3,011)	(3,179,699)	(2,429,741)
Other operating income	-	1,601,968	-	-	-	1,601,968	1,077,773
Net interest receivable/(payable)	22,341	14,048	-	-	-	36,389	22,509
Net Profit/(Loss)	55,334	103,905	-	-	(3,011)	156,227	526,261
FRS 17 actuarial gain/(loss)	-	-	-	-	-	-	-
Tax on profit on ordinary activities	(12,670)	(4,753)	-	-	-	(17,423)	(28,583)
Minority interest in profits of subsidiary	-	2,179	-	-	-	2,179	8,548
Profits/(losses) attributable to the Trust	42,664	101,331	-	-	(3,011)	140,983	506,226
	42,664	101,331	-	-	(3,011)	140,983	506,226

7 Investment Income

Some of the group's investment income of £6,367 (2023: £1,148) arises from money held in the trading subsidiaries.

8 Analysis of expenditure on charitable events

	General Fund £	Kyral Fund £	LYD £	P5 £	Workshop £	Emergency Appeal £	Total £
Grants	893,389	-	-	-	-	-	893,389
Sundries	323	-	-	-	-	-	323
Total	893,712	-	-	-	-	-	893,712

Expenditure on charitable activities was £904,769 (2023: £361,915) of which £898,938 was unrestricted (2023: £359,334).

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 £	Kyral Fund £	LYD £	P5 £	Workshop £	Emergency Appeal £	Total £
Direct grant support	893,389	-	-	-	1,281	-	894,670
Net cost funded from donations and legacies	893,389	-	-	-	1,281	-	894,670

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	-	323	323	Invoiced
Auditors Remuneration	-	5,226	5,226	Invoiced
Fund raising costs	4,550	-	4,550	Invoiced
Total	4,550	5,549	10,099	

Support and governance costs are £10,099 (2023: £6,539).

11 Net Income/(expenditure) for the year

	2024 £	2023 £
This is stated after charging:		
Depreciation	1,542,720	1,502,732
Release of grants against depreciation	(288,604)	(288,604)
Audit fees	5,226	4,920
Leasehold Amortisation	1,281	1,281
	1,260,623	1,172,985

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

	2024 £	2023 £
Wages and salaries	3,268,666	3,148,455
Social security costs	270,716	265,356
Pension costs	64,027	40,513
	3,603,409	3,454,324

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 (2023:£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:

	2024 Number	2023 Number
Full Time	84	78
Part Time	13	17
Sesonal	43	36
	140	131

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 2024	12,791,066	43,082,167	55,873,233	126,825
Additions	1,598,013	615,085	2,213,098	
(Disposals)	-	(414,048)	(414,048)	
	<u>14,389,079</u>	<u>43,283,204</u>	<u>57,672,283</u>	<u>126,825</u>
Depreciation/Amortisation:				
As at 1 January 2024	(6,060,320)	(12,595,388)	(18,655,708)	(32,025)
Charge for the year	(944,492)	(591,996)	(1,536,488)	(1,281)
Depreciation on disposal	-	-	-	-
Eliminated on disposal	<u>(7,004,812)</u>	<u>(13,187,384)</u>	<u>(20,192,196)</u>	<u>(33,306)</u>
Net book value:				
As at 1 January 2024	<u>6,730,746</u>	<u>30,486,779</u>	<u>37,217,525</u>	<u>94,800</u>
As at 31 December 2024	<u>7,384,267</u>	<u>30,095,820</u>	<u>37,480,087</u>	<u>93,519</u>

17 Investments

	Listed £	Unlisted £	Total £	Charity only		
				Listed £	Unlisted £	Total £
Group and Trust						
Cost or valuation:						
At 1 January 2024	19,360	5	19,365	19,360	31,351	50,711
Purchase of new	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-
Impairment	(19,360)	-	(19,360)	(19,360)	-	(19,360)
At 31 December 2024	-	5	5	-	31,351	31,351

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

	2024 £	2023 £
General Fund (cost £9,869)	-	-
Restricted Funds:		
Kyral Fund (cost £90,607)	-	19,360
	-	19,360

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	
	2024 £	2023 £	2024 £	2023 £
Stock	340,933	490,308	-	-
WIP	174,648	280,557	-	-
	515,581	770,865	-	-

19 Debtors

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Trade debtors	1,110,649	214,667	-	-
Other debtors	38,416	46,955	5,982	24,999
Taxation and social security	157,630	160,751	20,277	21,161
Prepayments and				
Accrued income	342,563	453,387	-	-
	1,649,258	875,760	26,259	46,160

20 Creditors: amounts falling due within one year

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Bank loan	-	-	-	-
Unsecured Loans	61,333	98,261	-	-
Trade creditors	731,282	272,813	-	-
Other creditors	303,526	290,029	-	-
Accruals and deferred income	1,378,896	956,961	355,678	153,458
Taxation and social	-	-	-	-
Security costs	-	-	-	-
Corporation tax	92,345	130,209	-	-
	2,567,382	1,748,273	355,678	153,458

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 2024	956,961	-
Movement in year	(421,935)	-
Balance as at 31 December 2024	1,378,896	-

22 Creditors: amounts falling due after more than one year

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Deferred capital contributions	30,454,583	30,099,828	-	-
Bank Loan	-	-	-	-
Ffestiniog Railway 4% debenture stock	15,760	15,760	-	-
	30,470,343	30,115,588	-	-

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 2024 nil (2023: 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

	2024 £	2023 £
Present value of funded obligations	(1,329,000)	(1,437,000)
Fair value of scheme assets	2,120,000	2,132,000
Present value of unfunded obligations	791,000	695,000
Unrecognised past service cost	-	-
Deficit	791,000	695,000
Related deferred tax asset	-	-
Net liability	791,000	695,000

Amounts in the balance sheet

Liabilities	-	-
Assets	791,000	695,000
Net	791,000	695,000

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

	2024 £	2023 £
Current service cost	-	-
Interest on obligation	-	-
Expected return on scheme assets	(143,000)	(47,000)
Past service cost	(1,000)	8,000
Losses / (gains) on curtailments and settlements	48,000	(70,000)
Total	<u>(96,000)</u>	<u>(109,000)</u>

Actual return on scheme assets	47,000	164,000
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Changes in the present value of the Defined Benefit Obligation

Opening defined benefit obligation	1,437,000	1,437,000
Service Cost	-	-
Interest Cost	69,000	69,000
Actuarial losses / (gains)	(118,000)	(14,000)
Losses / (gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed on business combinations	-	-
Exchange difference on foreign schemes	-	-
Benefits paid	(59,000)	(55,000)
Closed defined benefit obligation	<u>1,329,000</u>	<u>1,437,000</u>

Changes in the fair value of Plan Assets

Opening fair value of scheme assets	2,132,000	2,023,000
Expected return	95,000	94,000
Actuarial gains / (losses)	(48,000)	70,000
Assets distributed on settlements	-	-
Contributions by employer	-	-
Assets acquired in business combinations	-	-
Exchange difference on foreign schemes	-	-
Benefits paid	(59,000)	(55,000)
Closing fair value of scheme assets	<u>2,120,000</u>	<u>2,132,000</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:-

	2024	2024	2023	2023
	Asset	Percentage	Asset	Percentage
	Split	Asset	Split	Asset
	£	Split	£	Split
		%		%
Equities	702,000	33	856,000	40
Property	183,000	9	318,000	15
Fixed Interest	866,000	41	922,000	43
Cash	369,000	17	36,000	2
Total	<u>2,120,000</u>	<u>100</u>	<u>2,132,000</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	2023
Discount rate at 31 December	5.3%	4.5%
Expected return on plan assets at 31 December*	4.5%	4.7%
Future revaluation in deferment	3.0%	2.9%
Future pension increases	3.0%	3.1%
Post retirement mortality	S2PXA, CMI 2023 with minimum of 1.25% pa	S2PXA, CMI 2022 with minimum of 1.25% pa
Life expectancy for 65 year old male	21.0	21.1
Life expectancy for 65 year old female	23.2	23.2

* 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.

	2024 £	2023 £
The pension charges in the group profit and loss account for the period were:		
Closed defined benefit scheme	73,387	63,340
Current money purchase scheme	43,195	43,212
	<u>116,582</u>	<u>106,552</u>

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

	2024 £	2023 £
Amounts recognised in the statement of total recognised gains and losses:		
The present value of unfunded obligations	<u>(791,000)</u>	<u>(695,000)</u>

26 Analysis of charitable funds

Analysis of movements in unrestricted funds

	Balance 1 January 2024 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Transfers Between Funds £	Funds 31 December 2024 £
General Fund	2,397,423	711,946	(898,938)	-	-	2,210,432
Non Charitable Trading funds	7,508,471	12,232,062	(12,077,137)	96,000	-	7,759,396
	<u>9,905,894</u>	<u>12,944,008</u>	<u>(12,976,075)</u>	<u>96,000</u>	<u>-</u>	<u>9,969,827</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 2024 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Transfers Between Funds £	Funds 31 December 2024 £
Endowment	5	-	-	-	-	5
Ffestiniog Railway Fund	-	-	-	-	-	-
Kyril Fund	80,678	232	-	(19,360)	-	61,550
Workshop	94,800	-	(1,281)	-	-	93,519
Welsh Highland Rly	-	-	-	-	-	-
Lyd Fund	3,477	879	-	-	-	4,357
P5	-	-	-	-	-	-
C2 Fund	25,000	-	-	-	-	25,000
Emergency Fund	-	-	-	-	-	-
	<u>443,319</u>	<u>1,111</u>	<u>(1,281)</u>	<u>(19,360)</u>	<u>-</u>	<u>184,432</u>
Non-controlling interests	<u>2,294,664</u>	<u>2,179</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,296,843</u>
	<u>11,153,244</u>	<u>12,947,298</u>	<u>(12,977,356)</u>	<u>76,640</u>	<u>-</u>	<u>12,451,102</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.

Kyril 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	-	-	2,322,712	-	2,322,713
Endowment	-	5	-	-	5
Ffestiniog Railway Fund	-	-	-	-	-
Kyril Fund	-	-	61,550	-	61,550
Workshop	93,519	-	-	-	93,519
Welsh Highland Rly	-	-	-	-	-
P5 Sus Rail	-	-	-	-	-
Lyd Fund	-	-	4,355	-	4,355
C2 Fund	-	-	25,000	-	25,000
Emergency Appeal	-	-	-	-	-
					-
Total	93,519	5	2,413,617	-	2,507,142