

**TALYLLYN HOLDINGS LIMITED**  
**(A Company Limited by Guarantee)**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2018**

FRIDAY



\*L7EI4KMA\*  
LD3 14/09/2018 #117  
COMPANIES HOUSE

**COMPANY NUMBER: 00511996**  
**CHARITY NUMBER: 1089053**

**TALYLLYN HOLDINGS LIMITED**  
**REPORT AND ACCOUNTS TO 31 JANUARY 2018**

**CONTENTS**

**PAGES:**

1	Reference and administrative information
2 - 8	Trustees' Report
9 - 11	Auditors' Report
12	Consolidated Statement of Financial Activities
13	Consolidated Balance Sheet
14	Balance Sheet
15	Consolidated Statement of Cash Flows
16 – 27	Notes to the Accounts

**TALYLLYN HOLDINGS LIMITED**  
**REPORT AND ACCOUNTS TO 31 JANUARY 2018**  
**REFERENCE AND ADMINISTRATIVE INFORMATION**

**Directors and Trustees**

R Jones  
E Mann  
D Mitchell  
D Poulson  
C Theobald  
D Ventry

**Company Secretary**

J Robinson

**Registered Office**

Wharf Station  
Tywyn  
Meirionydd  
LL36 9EY

**Auditors**

McBrides Accountants LLP  
Nexus House  
Cray Road  
Sidcup  
Kent  
DA14 5DA

**TALYLLYN HOLDINGS LIMITED**  
**REPORT AND ACCOUNTS TO 31 JANUARY 2018**  
**TRUSTEES' REPORT**

**INTRODUCTION**

The Trustees, who are also the Directors of the Company for the purposes of the Companies Act, submit their Annual Report and Financial Statements for the year ended 31st. January, 2018. The consolidated financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the 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 1st. January, 2015) — (Charities SORP (FRS 102)).

**PRINCIPAL ACTIVITY**

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

The strategies employed to achieve these objectives are to:

- retain the beneficial ownership of all the shares in the Talylyn Railway Company;
- control the Railway Company by the election of its Directors in accordance with established custom;
- raise money from individuals and organizations, but not employ fundraising companies;
- make grants in accordance with its Objects;
- encourage volunteers on the Railway, in particular by the provision of accommodation;
- make short-term loans to the Railway Company when required by exceptional circumstances.

**ACHIEVEMENTS AND ACTIVITIES**

After three years of sesquicentenary celebrations, 2017 was quieter and the Talylyn Railway reverted to the usual pattern of service trains and regular special events, giving pleasure and enjoyable education both to passengers and those serving them.

Notable visitors included Sir Peter Hendy, the Chairman of Network Rail, who travelled on the footplate of a special train on 7th. April. Publicity photographs were taken at Hendy Halt and he generously donated a bench for the comfort of waiting passengers.

Julie Walters visited the Railway with a television crew as part of her Coastal Railways series for Channel 4. The resulting programme was warmly received and should attract passengers from outside the railway enthusiast fraternity.

The Company had rented a car park for the use of Talylyn Railway passengers from Cambrian Road Recreation Ground, a charity of which the Tywyn Town Council is the sole trustee, since at least the 1980s. For much of this time we had been in discussion with a view to taking a long-term lease. This had, at last, been agreed in principle by the Town Council. Users had long complained about the state of the car park; the Company was prepared to spend a sum estimated at £50,000 on resurfacing it and in return expected the rent to be frozen for a period. However, without waiting for negotiations on the details to be concluded, the Town Council gave us notice to quit from 31st. December.

Like almost every organization, the Company spent a considerable amount of time in 2017 analysing the impact of and preparing for the introduction of the General Data Protection Regulation in 2018.

Tracey Parkinson resigned as General Manager of the Talylyn Railway Company, leaving on 7th. July. David Ventry became interim Managing Director and the Board is very grateful for his undertaking this onerous rôle for a second time. Once again, there was a thorough selection process and Stuart Williams was appointed as General Manager, taking up the post on 18th. September. The departure of the Engineering Manager was also followed by a suitably formal process and Chris. Smith started on 31st. July.

**TALYLLYN HOLDINGS LIMITED**  
**REPORT AND ACCOUNTS TO 31 JANUARY 2018**  
**TRUSTEES' REPORT**

Early in 2018 the Board became aware that the accounts for the year ending 31st. January, 2018 would be subject to a full financial audit as its income combined with that of the Talylyn Railway Company exceeded the £1,000,000 threshold. McBrides, Chartered Accountants of Sidcup in Kent were appointed as Auditors. The accounts have therefore been subject to very significantly more rigour in their inspection than ever before, unfortunately at a much greater and unavoidable cost. This has also placed a corresponding time burden upon the Chief Financial Officer and the Board is very grateful to Garry Mumford for shouldering this.

**Traffic & Operating**

For the Talylyn Railway, the year ending 31st. January, 2018 saw 88,863 passenger journeys, an increase of 1.2% on the previous year. Public bookings fell by 0.8% to 36,463 but a fares increase and some associated changes resulted in a welcome rise in total traffic revenue of 4.0%. The number of trains run increased by 15.7% but the direct cost of this is small with a volunteer operation.

Theoretical and practical training sessions for locomotive and traffic volunteers were generally well-supported. An exercise took place on 27th. May simulating a major incident. Unfortunately, the emergency services cancelled their planned participation at a late stage but it was nevertheless valuable training and useful proof of the Railway's plans for dealing with such an event. For the first time operating staff were required to undertake a minimum number of turns to prove that they remained competent. In a review at the end of the season there were very few for whom this had proved a problem, and arrangements were made for additional training to allow them to resume their previous rôles.

**Shop and Catering**

The Shop and Catering activities of the Talylyn Railway Company are important in generating a surplus to further the charitable objectives of Talylyn Holdings. 2017 showed a further improvement in Catering with a tripling of the previous year's surplus. Producing decent, homemade food at a reasonable price has really improved the café's trade, and improvements in the layout at the end of 2017 should carry further growth into 2018.

The Shop grew its sales versus the prior year, but the margin was reduced. The Shop is the Railway Company's commercial focus for the current year and we expect an improved result to be reported for 2018.

**Engineering**

The Company's object of the preservation, restoration, maintenance and protection of the structures, rolling stock, plant, equipment and artefacts of the Talylyn Railway is largely an engineering activity carried out by the Talylyn Railway Company with the aid of grants from the Company. The historic workshops at Pendre have seen No. 4 *Edward Thomas* in for major work to its running gear with wheels sent away for turning and the fitting of new crank pins as well as the fitting of new axle boxes, brake hangers and associated parts. No. 3 *Sir Haydn* remained at the Vale of Rheidol Railway with its overhaul nearing completion by the end of January. All the other locomotives had their usual winter work programme completed. Air pumps have been rebuilt and are being installed as and when required. The flail-mower had work done to its main boom knuckle together with the fitting of new bushes to take the slack out of a number of joints. Locomotives Nos. 6 *Douglas*, 7 *Tom Rolt* and 11 *Trecwn* were repainted by volunteers, with No. 11 having work done to install an air brake system. The paint shop also saw major activity, with Carriage 22 returned to service after nine years out of use while the body was rebuilt and painted by volunteer labour; numerous other carriages received minor attention and re-varnishes. The motor trolley left the Railway to go to a member's works for an extensive rebuild to return it to working condition. The tool van was also overhauled and painted, together with new racking being installed. Regrettably, the Corris carriage, No. 17, had to be taken out of service at the end of the year for bodywork repairs.

**TALYLLYN HOLDINGS LIMITED**  
**REPORT AND ACCOUNTS TO 31 JANUARY 2018**

**TRUSTEES' REPORT**

Work continued on the programme of re-sleepering and relaying with a total of 31 lengths re-sleepered over the winter, as well as the renewal of the west end turnout at Quarry Siding. The hedgelaying teams have much improved the view from the trains, with many yards of work completed over the year. The flail-mower was also in action undertaking the annual cut of the hedges and grass. Our tree management team also undertook much work up and down the Railway.

The Signal & Telephone Department have been overhauling the Railway's lever frames, installing the Abergynolwyn to Nant Gwernol token instruments and carrying out routine maintenance to points, rodding runs and other equipment.

**Health & Safety**

The Talylyn Railway Company has stringent obligations under Health & Safety law and appropriate attention to these is essential for it to continue to operate the Talylyn Railway and thereby fulfil the Company's objects to promote public knowledge, appreciation and understanding of the historic and cultural aspects of the Talylyn Railway and the area through which it runs and to promote public access to the structures and equipment and public knowledge, appreciation and understanding of their architectural, constructional, scientific and craft features.

The annual External Safety Audit raised a number of issues, the majority of which were already known and for which remedial actions are already in place or planned.

The annual review of accidents and incidents showed no change to the number of incidents. For the second year running there was a rise in the number of minor accidents but this is likely to be due to better reporting. There were two reportable incidents, a slow speed runaway wagon at Pendre and a farmer drove into a trolley at the rear of an Engineer's train at Brynglas level crossing. The Regulatory Authorities required details of these but took no further action. Following the runaway, the operating instructions were amended and changes made to the coupling arrangements of the wagons concerned to reduce the likelihood of a recurrence. There was a significant reduction in the number of door-handle incidents.

**KEY PERFORMANCE INDICATORS**

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

**PUBLIC BENEFIT**

The Trustees have referred to the Charity Commission's guidance on public benefit when reviewing the Company's aims and objects and in planning future activities of the group. We consider that the group carries out its charitable activities for the benefit of the general public. The Company makes grants primarily to ensure the survival of the Talylyn Railway which was the earliest narrow-gauge railway constructed with the use of steam haulage and the carriage of passengers envisaged from the outset. The Company also makes grants to individuals who volunteer on the Railway and benefit educationally from the experience and undertakes some direct educational work. Through the Talylyn Railway Company it provides employment in the area and aims to reach out to the local community, for example by participating in local events and providing work experience for schools and colleges. Research in North Wales and elsewhere shows that heritage railways provide significant advantages to the economy of the areas in which they operate.

**FINANCIAL REVIEW**

**Changes in Accounting Policies**

The detailed review process entailed by the change to a full Audit has brought many areas up for discussion, some as a result of changes in recent years in accounting standards and practices.

## TALYLLYN HOLDINGS LIMITED

## REPORT AND ACCOUNTS TO 31 JANUARY 2018

## TRUSTEES' REPORT

It has been the custom and practice to write off the majority of costs relating to the acquisition, renewal and maintenance of assets in the accounts of the Talyllyn Railway Company rather than follow a more conventional practice of capitalizing these as fixed assets. This has in the main been justified on the grounds that we are maintaining a heritage asset rather than a normal commercial one.

The detailed review has led many of these long-held assumptions to be reviewed and questioned. The opportunity has also been taken to consider best current practice and recent changes in accounting standards and recommended practice as it applies to charities.

As a result, the policy has been changed with respect to the capitalization of assets and their major refurbishment, including heritage assets. The accounts for the year ending January 2018 reflect this and as a result introduce a depreciation charge on assets now capitalized as well as those long held in the Balance Sheet. This has led in turn to a review of past years, and it has been agreed with the new Auditors that we should recognize the cost of the Wharf development completed in 2005 as an asset and depreciate it accordingly.

**Review of the year**

The constant challenge of balancing costs with the ability to pay out of income continues to confront management every day. Costs rise relentlessly owing not only to general inflation, but to increased regulation, statutory minimum employment costs and increased costs of pension provision. In addition, whilst almost all our train operation and much major track maintenance work is still undertaken by volunteers, and we are also extremely grateful to those who spend a great deal of time on unseen technical and administrative work, the inability to find others with specific skills and time in a much more regulated environment has led to increased paid staff costs.

The Railway sees a generally flat, yet consistent, number of passengers, but undoubtedly an increasing number of visitors, not travelling but using the refreshment rooms, which now enjoy a strong reputation locally, and attending special events. The challenge is to provide a superb customer experience and extract the maximum "secondary" spend possible. The financial fortunes of the Railway are heavily dependent upon this secondary spend, in particular in Catering and the Shop. Catering had its best ever year, one in which its contribution to the overall financial picture was a surplus of some £58,895, whilst at the same time delivering a superb product. The Shop has struggled more, but still provided a healthy contribution.

Operating revenue continues to be boosted by the impact of Gift Aid on fares, introduced in 2013, this is now a very important component of our income. In the 2017 year this brought an additional £56,413 (2016: £56,448) in Gift Aid income and £26,659 (2016: £25,685) through the additional 10% donation. Take-up of Gift-Aided donation fares was 69.4% (2016: 71.1%) for the year and of donation fares without Gift Aid 19.5% (2016: 14.7%). The £83,072 (2016: £82,133) of additional income is offset by the value of the 15% vouchers given to those donating their fares and redeemed in the Shop or Cafés. Those redeemed had a face value of £39,784 (2016: £36,884), although the cost of servicing these vouchers is approximately half of this due to the margins made on the goods sold.

Overall the Talyllyn Railway Company showed an operating deficit (Combined Income) of £73,444 in the year compared to £103,000 in the previous year. This is then further reduced by donations and other income.

The Railway Company benefited from the usual financial support from the Talyllyn Railway Preservation Society during the cashflow trough in the spring, but despite this the Society still held cash reserves of some £92,170 at the end of the year. Holdings funds continue to benefit through the receipt of a number of legacies and donations, and the continuing generosity of members through the monthly donations scheme. Holdings cash reserves at the end of the year stood at £702,373, virtually the same as 2016. Grants have been made in the year to cover costs on the following items, amongst others: Overhaul of Locomotive No. 3 £83,155; Engineering Equipment (hoists, &c) £13,233; Carriage heating £8,378 and costs relating to employment of staff £43,916.

**TALYLLYN HOLDINGS LIMITED**  
**REPORT AND ACCOUNTS TO 31 JANUARY 2018**

**TRUSTEES' REPORT**

Whilst the continuing losses in the Railway Company are a concern, the high levels of reserves now held in both the Society and Holdings, the continuing benefit of Gift Aid on fares, and the contribution now made by Catering do provide some comfort.

As a result of the loss in the Railway Company the Talylyn Railway Preservation Society made it a Special Grant of £64,552 in the year.

**RESERVES POLICY**

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

**FUTURE PLANS**

A Strategy for the Railway for ten years from 2014 was published in December, 2013 and updated in 2016 for the period to 2025. It is the intention to review this in detail every two years to ensure it is appropriate for the following decade.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

Talylyn Holdings Limited was incorporated in 1952 under the Companies Acts as a Company Limited by Guarantee without share capital (Registration number: 511996) and is governed by its Memorandum and Articles of Association which were adopted on 3rd. October, 1952 and updated on 8th. December, 1973, 24th. February, 1996 and 31st. August, 2001. It was registered as a charity on 25th. October, 2001 with the Charity Commission for England and Wales (Registration number: 1089053). The ultimate controlling organization is the Talylyn Railway Preservation Society. The Board met eight times during the year and considered the financial position at each meeting.

**Trustees**

The Trustees who served during the year to 31 January 2018 are as follows:

Gareth Jones  
Elisabeth Mann  
David Mitchell  
Daniel Poulson  
Keith Theobald  
David Ventry

Company Secretary: John S. Robinson  
Chief Financial Officer: Garry Mumford

**Recruitment and Appointment of New Trustees**

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



## TALYLLYN HOLDINGS LIMITED

### REPORT AND ACCOUNTS TO 31 JANUARY 2018

#### TRUSTEES' REPORT

##### Induction and Training of Trustees

New trustees are provided with information on their rôle and responsibilities as a trustee, together with a copy of the Memorandum and Articles of Association and the latest Report and Financial Statements. Trustees are kept up to date as appropriate with developments within the charity and the sector and further training will be organized where deemed appropriate.

##### Related Parties

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

##### Key Management Personnel

The charity considers its key management personnel to be the Trustees, the Company Secretary and the Chief Financial Officer. The Trustees and Officers are all volunteers and receive no remuneration from the Company; no Trustee was reimbursed expenses in the year (2016: £Nil). It has no paid employees.

##### Risk Management

The Trustees are confident that the major financial and non-financial risks faced by the organization are being suitably managed with systems and procedures in place to address and mitigate these risks. The charity's risks are managed by careful maintenance of its fixed assets, conservative investment of funds in hand and only making grants from those funds.

#### STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**TALYLLYN HOLDINGS LIMITED**  
**REPORT AND ACCOUNTS TO 31 JANUARY 2018**  
**TRUSTEES' REPORT**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES (CONTINUED)**

In so far as we are aware:

- There is no relevant audit information of which the charitable company's and group's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees reserve the right on a voluntary basis under Companies Act Section 454 to amend these financial statements if they subsequently prove to be defective.

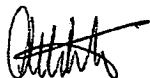
**AUDITORS**

A resolution to reappoint McBrides Accountants LLP as auditors will be made at the Annual General Meeting in accordance with Section 485 of the Companies Act 2006.

**SMALL COMPANY EXEMPTIONS**

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the Board of Trustees on .....25.08.18..... and signed on its behalf by:



.....  
Chair of Trustees

## TALYLLYN HOLDINGS LIMITED

## REPORT AND ACCOUNTS TO 31 JANUARY 2018

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES

**Opinion**

We have audited the group and parent company financial statements of Tallylyn Holdings Limited (the 'charitable company') for the year ended 31 January 2018 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cashflows 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 in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 January 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

**Basis for opinion**

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

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**TALYLLYN HOLDINGS LIMITED****REPORT AND ACCOUNTS TO 31 JANUARY 2018****INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES****Opinions on other matters prescribed by the Companies Act 2006**

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

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

**Other matter**

We draw attention to the fact that the year ended 31 January 2018 is the first year of audit and the corresponding amounts are unaudited.

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

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

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

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

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 5 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## TALYLLYN HOLDINGS LIMITED

## REPORT AND ACCOUNTS TO 31 JANUARY 2018

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

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



Andrew Warren (Senior Statutory Auditor)  
For and on behalf of McBrides Accountants LLP  
Nexus House  
Cray Road  
Sidcup  
Kent  
DA14 5DA  
Date: 28.08.18

## TALYLLYN HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JANUARY 2018**  
(Including the Income and Expenditure Account)

		Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Restated Total Funds 2017 £
	Notes				
<b>INCOME</b>					
Donations, subscriptions and legacies	2	176,913	51,952	228,865	64,323
Income from charitable activities					
Railway		466,282	-	466,282	455,817
Income from other trading activities					
Shop		154,621	-	154,621	144,568
Catering		322,981	-	322,981	263,296
Other Income		11,600	-	11,600	10,464
Income from investments					
Bank interest		2,291	-	2,291	4,470
<b>Total income</b>		<b>1,134,688</b>	<b>51,952</b>	<b>1,186,640</b>	<b>942,938</b>
<b>EXPENDITURE</b>					
Expenditure on raising funds					
Commercial trading operations	3	391,765	-	391,765	356,216
Expenditure on charitable activities	3	724,110	31,090	755,200	655,989
<b>Total expenditure</b>		<b>1,115,875</b>	<b>31,090</b>	<b>1,146,965</b>	<b>1,012,205</b>
<b>Net movement in funds</b>		<b>18,813</b>	<b>20,862</b>	<b>39,675</b>	<b>(69,267)</b>
Funds balances brought forward		726,155	1,196,791	1,922,946	1,992,213
Transfer of fund balances		-	-	-	-
<b>Fund balances carried forward</b>		<b>744,968</b>	<b>1,217,653</b>	<b>1,962,621</b>	<b>1,922,946</b>

All the above results are derived from continuing activities. There are no other gains or losses other than those shown above.

The notes on pages 17 to 27 form an integral part of these financial statements

## TALYLLYN HOLDINGS LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31 JANUARY 2018

	Notes	£	2018 £	Restated 2017 £
<b>FIXED ASSETS</b>				
Tangible fixed assets	9		1,233,512	1,257,752
Heritage assets	10		304,491	216,449
			<u>1,538,003</u>	<u>1,474,201</u>
<b>CURRENT ASSETS</b>				
Debtors and prepayments	13	35,188		41,863
Cash at bank		727,791		723,996
Stocks and stores	12	<u>71,093</u>		<u>66,884</u>
		834,072		832,743
<b>CREDITORS: Amounts falling due within one year</b>	14	<u>(409,454)</u>		<u>(383,998)</u>
<b>NET CURRENT ASSETS</b>			424,618	448,745
<b>CREDITORS: Amounts falling due after one year</b>			-	-
<b>NET ASSETS</b>			<u>1,962,621</u>	<u>1,922,946</u>
<b>FUND BALANCES</b>				
Restricted funds	16		1,217,653	1,196,791
Unrestricted funds	16		744,968	726,155
			<u>1,962,621</u>	<u>1,922,946</u>

Under the Companies Act 2006, s454, on a voluntary basis, the directors can amend these financial statements if they subsequently prove to be defective.

The accounts were approved by the Board of Trustees on 25.08.18 and signed by:



David Ventry



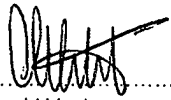
Elisabeth Mann

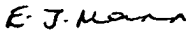
**TALYLLYN HOLDINGS LIMITED**  
**BALANCE SHEET AS AT 31 JANUARY 2018**

	Notes	£	2018 £	Restated 2017 £
<b>FIXED ASSETS</b>				
Tangible fixed assets	9		49,884	50,902
			<u>49,884</u>	<u>50,902</u>
<b>CURRENT ASSETS</b>				
Debtors and prepayments	13	4,996		3,043
Cash at bank		702,373		703,441
Stocks and stores		-		-
		<u>707,369</u>		<u>706,484</u>
<b>CREDITORS: Amounts falling due within one year</b>	14	<u>(13,000)</u>		-
<b>NET CURRENT ASSETS</b>			694,369	706,484
<b>CREDITORS: Amounts falling due after one year</b>			-	-
<b>NET ASSETS</b>			<u><u>744,253</u></u>	<u><u>757,386</u></u>
<b>FUND BALANCES</b>				
Restricted funds	16		14,285	73,981
Unrestricted funds	16		729,968	683,405
			<u><u>744,253</u></u>	<u><u>757,386</u></u>

Under the Companies Act 2006, s454, on a voluntary basis, the directors can amend these financial statements if they subsequently prove to be defective.

The accounts were approved by the Board of Trustees on 25.08.18 and signed by:

  
 .....  
 David Ventry

  
 .....  
 Elisabeth Mann

The notes on pages 17 to 27 form an integral part of these financial statements



## TALYLLYN HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS

	2018 £	Restated 2017 £
<b>Reconciliation of net movement in funds to new cash flow from operating activities</b>		
Net movement in funds	39,675	(69,267)
Depreciation	45,995	30,346
Decrease/(increase) in stock	(4,209)	10,803
Decrease/(increase) in debtors	6,675	(8,062)
Increase/(decrease) in creditors	25,456	(15,224)
Bank interest receivable	(2,291)	(4,470)
<b>Net cash used in operating activities</b>	<b>111,301</b>	<b>(55,874)</b>
<b>Cashflow from investing activities</b>		
Bank interest received	2,291	4,470
Acquisition of tangible assets	(109,797)	(27,750)
	(107,506)	(23,280)
<b>Change in cash and cash equivalents for the year</b>	<b>3,795</b>	<b>(79,154)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>723,996</b>	<b>803,150</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>727,791</b>	<b>723,996</b>

The notes on pages 17 to 27 form an integral part of these financial statements

## TALYLLYN HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31 JANUARY 2018

**1. ACCOUNTING POLICIES**

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)) and applicable regulations.

The financial statements have been prepared to show a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

The following are the accounting policies which have been applied in dealing with material items:

**a) Going concern**

It is the opinion of the Trustees that the use of the going concern basis of accounting is appropriate because:

- there are no material uncertainties relating to events or conditions that may cast significant doubt about the ability of the charity to continue as a going concern;
- there is reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future.

**b) Group accounts**

The financial statements consolidate the results of the charity and its wholly owned subsidiary (Tallylyn Railway Company) on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because Tallylyn Holdings Limited has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

**c) Funds structure**

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed.

Further details of each fund are disclosed in the notes.

## TALYLLYN HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31 JANUARY 2018

## 1. ACCOUNTING POLICIES (Continued)

## d) Incoming resources

All income is recognised once the charity has entitlement to the income, there is sufficient certainty or receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Voluntary income is recognised when they have been communicated in writing with notification of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfillment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the bank.

## e) Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities. For more information on this allocation refer to the note below.

## f) Allocation of support and governance costs

Support costs and governance costs have been differentiated between other costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs relating to Board meetings.

Governance costs and support costs relating to charitable activities have been apportioned appropriately. The allocation of support and governance costs is analysed in the notes.

## g) Reserves

The regular, unrestricted income is sufficient to cover the day to day running of the charity.

The agreed reserve policy for 2017 was to have available a minimum of £500,000 to £900,000 in unrestricted funds. Based on the risk profile of the income and expenditure, this was deemed an appropriate amount to cover any sudden increases in expenditure, or decreases in income.

Any unrestricted funds held over and above this are regularly monitored with the intention of using them to forward the charity's objectives.

The reserve policy is regularly assessed by the trustees for appropriateness.

## TALYLLYN HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 31 JANUARY 2018

## 1. ACCOUNTING POLICIES (Continued)

h) **Tangible fixed assets**

All assets costing more than £1,000 or more are capitalized at cost.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognized as impairments. Impairment losses are recognised in the Consolidated Statement of Financial Activities incorporating Income and Expenditure Account.

Tangible fixed assets are measured at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Land and buildings	Over 50 years
Plant, machinery, fixtures & fittings	Over 10 years
Commercial operations, office and IT	Over 5 years

Land and buildings are held at cost with no depreciation charged due to the high residual value of the building, which would result in any charge being immaterial.

i) **Heritage assets**

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

Heritage assets are measured at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Permanent way and infrastructure	Over 40 years
Locomotives	Over 20 years
Rolling stock	Over 40 years

j) **Stock**

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

At each reporting date, stocks are assessed for impairment. If stocks are impaired, the impairment loss is recognized immediately in the Statement of Financial Activities.

k) **Debtors**

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

l) **Cash at bank and in hand**

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

**TALYLLYN HOLDINGS LIMITED****NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 JANUARY 2018****m) 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 transaction value.

**n) Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement as financial assets or financial liabilities. The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value.

**o) Funds**

The general fund comprises those monies, which may be used to meet charitable objectives at the discretion of the Trustees.

The restricted fund represents those monies that can only be used for a particular purpose within the objectives of the charity. Restrictions arise when specified by the donor or when funds are raised for a particular restricted purpose.

**p) Key judgements and estimations**

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

## TALYLLYN HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2018

## 2. ANALYSIS OF INCOMING RESOURCES

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
General donations and legacies	160,610	51,952	212,562	49,325
Tax recoverable	16,303	-	16,303	14,998
	<u>176,913</u>	<u>51,952</u>	<u>228,865</u>	<u>64,323</u>

## 3. CHARITABLE EXPENSES

	Raising funds	Governance	Charitable activities	Total 2018	Restated Total 2017
Staff costs (Note 6)	158,993	-	368,910	527,903	475,203
Support costs (Note 4)	16,391	-	253,156	269,547	263,884
Cost of goods sold	216,381	-	-	216,381	191,296
Railway operating costs	-	-	120,134	120,134	81,822
Audit	-	13,000	-	13,000	-
	<u>391,765</u>	<u>13,000</u>	<u>742,200</u>	<u>1,146,965</u>	<u>1,012,205</u>

## 4. SUPPORT COSTS

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Restated Total Funds 2017 £
Rent, Rates and Insurance	20,108	-	20,108	18,530
Electricity, Water and Gas	34,905	-	34,905	41,349
Printing and Stationery	9,580	-	9,580	8,875
Advertising and Publicity	58,276	-	58,276	61,186
Postage and Telephone	13,141	-	13,141	10,813
Bank and Credit Card charges	7,768	-	7,768	6,534
Cleaning and first aid	11,368	-	11,368	10,552
Independent Examiner's expenses	-	-	-	1,720
Accountancy software & systems	13,850	-	13,850	7,346
Legal Fees	(6,255)	-	6,255	3,052
HR Consultancy	1,379	-	1,379	815
HRA subscription & meeting expenses	734	-	734	1,004
Employers' reference books, HSW publications & training costs	-	-	-	316
Staff dinner	1,583	-	1,583	1,472
Messroom supplies and free staff/volunteer drinks	2,679	-	2,679	2,304
Refuse collection and disposal	9,100	-	9,100	7,922
Premises Licences	292	-	292	381
Security and Alarm	3,524	-	3,524	5,230
Consumables and disposables	2,880	-	2,880	2,100
Computer Running Expenses	11,523	-	11,523	15,134
Miscellaneous	27,117	-	27,117	26,904
Depreciation	45,995	-	45,995	30,346
	<u>269,547</u>	<u>-</u>	<u>269,547</u>	<u>263,884</u>

## TALYLLYN HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2018

## 5. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Restated Unrestricted 2017 £	Restated Restricted 2017 £	Restated Total 2017 £
Donations, subscriptions and legacies	33,096	31,227	64,323
Income from charitable activities			
Railway	455,817	-	455,817
Income from other trading activities			
Shop	144,568	-	144,568
Catering	263,296	-	263,296
Other income	10,464	-	10,464
Income from investments	4,470	-	4,470
<b>TOAL INCOME</b>	<b>911,711</b>	<b>31,227</b>	<b>942,938</b>
Expenditure on raising funds			
Commercial trading operations	356,216	-	356,216
Expenditure on charitable activities	624,405	31,584	655,989
<b>TOTAL EXPENDITURE</b>	<b>980,621</b>	<b>31,584</b>	<b>1,012,205</b>
<b>Net movement in funds</b>	<b>(68,910)</b>	<b>(357)</b>	<b>(69,267)</b>

## 6. STAFF COSTS

	2018 £	2017 £
Wages & salaries	455,219	410,413
National insurance	29,727	25,005
Pension costs	22,127	22,472
Other costs (Travelling and training costs etc)	20,830	17,313
	<b>527,903</b>	<b>475,203</b>

No employee earned over £60,000 (including taxable benefits but excluding employer pension contributions) during the year.

The average number of employees during the year was as follows:

	2018	2017
Catering	16	14
Engineering	10	10
Shop	3	1
Railway operations and administration	7	5
	<b>36</b>	<b>30</b>

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

## 7. TRANSACTIONS WITH TRUSTEES

The trustees all give freely of their time and expertise without any form of remuneration or other benefit in cash or kind.

During the year no trustee received any remuneration or expenses.

## TALYLLYN HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2018

## 8. FEES FOR AUDIT OF ACCOUNTS

	2018 £	2017 £
Independent auditor's fees	13,000	-
	<u>13,000</u>	<u>-</u>

## 9. FIXED ASSETS

## GROUP

	Land & buildings £	Plant, machinery, fixtures & fittings £	Commercial operations, Office and IT	Total £
<b>Cost</b>				
Brought forward	1,568,213	84,040		1,652,253
Additions	-	14,435	1,699	16,134
Disposals	-	-		-
Carried forward	<u>1,568,213</u>	<u>98,475</u>	<u>1,699</u>	<u>1,668,387</u>
<b>Depreciation</b>				
Brought forward	394,501	-		394,501
Charge	31,364	8,699	311	40,374
Elimination on disposal	-	-		-
Carried forward	<u>425,865</u>	<u>8,699</u>	<u>311</u>	<u>434,875</u>
<b>NBV at 31 January 2018</b>	<u>1,142,348</u>	<u>89,776</u>	<u>1,388</u>	<u>1,233,512</u>
<b>NBV at 31 January 2017</b>	<u>1,173,712</u>	<u>84,040</u>	<u>-</u>	<u>1,257,752</u>

## CHARITY

	Land & buildings £	Total £
<b>Cost</b>		
Brought forward	50,902	50,902
Additions	-	-
Disposals	-	-
Carried forward	<u>50,902</u>	<u>50,902</u>
<b>Depreciation</b>		
Brought forward	-	-
Charge	1,018	1,018
Elimination on disposal	-	-
Carried forward	<u>1,018</u>	<u>1,018</u>
<b>NBV at 31 January 2018</b>	<u>49,884</u>	<u>49,884</u>
<b>NBV at 31 January 2017</b>	<u>50,902</u>	<u>50,902</u>



## TALYLLYN HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2018

## 10. HERITAGE ASSETS

## GROUP

	Permanent way and infrastructure £	Locomotives & rolling stock £	Total £
<b>Cost</b>			
Brought forward	159,291	57,158	216,449
Additions	2,129	91,534	93,663
Disposals	-	-	-
Carried forward	<u>161,420</u>	<u>148,692</u>	<u>310,112</u>
<b>Depreciation</b>			
Brought forward	-	-	-
Charge	3,996	1,625	5,621
Elimination on disposal	-	-	-
Carried forward	<u>3,996</u>	<u>1,625</u>	<u>5,621</u>
<b>NBV at 31 January 2018</b>	<u>157,424</u>	<u>147,067</u>	<u>304,491</u>
<b>NBV at 31 January 2017</b>	<u>159,291</u>	<u>57,158</u>	<u>216,449</u>

## 11. INVESTMENTS

## Charity

Shares in  
group  
undertakings  
£

## Cost

Talyllyn Railway Company undertakes the trading activities of the group. The parent charity owns 100% of the ordinary share capital of this subsidiary, which is held between the directors individually. Its principal purpose is the running and maintenance of the Talyllyn Railway.

A summary of the trading results is shown below:

	2018 £	2017 £
Turnover	1,061,149	869,431
Cost of sales	(862,628)	(736,705)
Gross profit	<u>198,521</u>	<u>132,726</u>
Administrative expenses	(263,073)	(229,971)
Net loss	<u>(64,552)</u>	<u>(97,245)</u>
Retained earnings brought forward	-	-
Donation from Talyllyn Railway Preservation Society	64,552	97,245
Retained earnings carried forward	<u>-</u>	<u>-</u>

## TALYLLYN HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2018

## 12. STOCKS

	2018 £	2017 £
Fuel & consumables	4,475	599
Maintenance	25,463	25,152
Goods for resale	41,155	41,133
	<u>71,093</u>	<u>66,884</u>

The cost of stocks recognised as an expense in the year amounted to £218,807 (2017: £192,504).

## 13. DEBTORS

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Trade debtors	2,787	14,829	-	-
Prepayments and other debtors	32,401	27,034	-	-
Amounts due to group undertakings	-	-	4,996	3,043
	<u>35,188</u>	<u>41,863</u>	<u>4,996</u>	<u>3,043</u>

## 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Trade creditors	40,603	37,227	-	-
Accruals & deferred income	29,482	21,562	13,000	-
Other creditors	41	-	-	-
Taxation and social security	(12,796)	(3,403)	-	-
Amounts due to related parties	352,124	328,613	-	-
	<u>409,454</u>	<u>383,999</u>	<u>13,000</u>	<u>-</u>

## 15. DEFERRED INCOME

	£
Brought forward at 1 February 2017	8,248
Amount released to income earned from charitable activities	(5,778)
Amounts released to income earned from trading activities	(757)
Amounts deferred in the year for charitable activities	5,528
Amounts deferred in the year for trading activities	769
	<u>8,010</u>

## TALYLLYN HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2018

## 16. FUNDS

## Statement of funds - current year

	Balance at 1 February 2017 £	Income £	Expenditure £	Balance at 31 January 2018 £
<b>Unrestricted funds</b>				
General funds	726,155	1,134,688	(1,115,875)	744,968
<b>Restricted funds</b>				
Wharf Building	1,122,810	-	(30,346)	1,092,464
Development fund	1,671	-	-	1,671
Loco. No.3 "Sir Haydn" Appeal	54,127	40,703	-	94,830
Tracksiders Fund	628	-	-	628
Open Carriages Appeal	-	9,079	-	9,079
Toby the Trolley appeal	-	1,645	-	1,645
Graham Guilford Fund	17,555	525	(744)	17,336
	1,196,791	51,952	(31,090)	1,217,653
	1,922,946	1,186,640	(1,146,965)	1,962,621

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

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

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

## Statement of funds - prior year

	Restated Balance at 1 February 2016 £	Income £	Expenditure £	Restated Balance at 31 January 2017 £
<b>Unrestricted funds</b>				
General funds	795,065	911,711	(980,621)	726,155
<b>Restricted funds</b>				
Wharf Building grant	1,153,156	-	(30,346)	1,122,810
Development fund	1,671	-	-	1,671
Loco. No.3 "Sir Haydn" Appeal	23,500	30,627	-	54,127
Tracksiders Fund	628	-	-	628
Open Carriages Appeal	-	-	-	-
Toby the Trolley appeal	-	-	-	-
Graham Guildford Fund	18,193	600	(1,238)	17,555
	1,197,148	31,227	(31,584)	1,196,791
	1,992,213	942,938	(1,012,205)	1,922,946

## TALYLLYN HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2018

## 16. FUNDS (Continued)

## Analysis of funds between net assets - current year

	Fixed Assets £	Net Current Assets £	Long Term Liabilities £	Total £
Unrestricted funds	446,557	298,411	(340,114)	404,854
Restricted funds	1,091,446	126,207	-	1,217,653
Carried forward	<u>1,538,003</u>	<u>424,618</u>	<u>(340,114)</u>	<u>1,622,507</u>

## Analysis of funds between net assets - prior year (Restated)

	Fixed Assets £	Net Current Assets £	Long Term Liabilities £	Total £
Unrestricted funds	381,737	344,418	-	726,155
Restricted funds	1,092,464	104,327	-	1,196,791
Carried forward	<u>1,474,201</u>	<u>448,745</u>	<u>-</u>	<u>1,922,946</u>

## 17. FINANCIAL INSTRUMENTS

## Categorisation of financial instruments

## Group:

	2017 £	2016 £
Financial assets that are debt instruments measured at amortised cost	<u>2,698</u>	<u>14,829</u>
Financial liabilities measured at amortised cost	<u>401,240</u>	<u>379,154</u>

## Company:

	2017 £	2016 £
Financial assets that are debt instruments measured at amortised cost	<u>2,698</u>	<u>14,829</u>

## 18. TAXATION

The railway company is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

## 19. RELATED PARTY TRANSACTIONS

During the year the group received a donation from The Talylyn Railway Preservation Society of £64,552 (2017: £97,245).

## 20. MEMBERS' LIABILITY

Talylyn Holdings Limited is a registered company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charitable company in the event of winding up.

**TALYLLYN HOLDINGS LIMITED****NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2018****21. ULTIMATE CONTROLLING PARTY**

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

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

**22. PRIOR YEAR ADJUSTMENT**

The prior year figures have been restated to more accurately reflect the split of funds and correct the brought forward fixed asset position.