

FFESTINIOG RAILWAY SOCIETY

England & Wales · Charity number 1064178

Details

Other names	CYMDEITHAS RHEILFFORDD FFEISTINIOG
Status	Registered
Legal form	Charitable company
Company number	00542449
Registered	1997-08-29
Register	View on the Charity Commission register

Contact

Address	Ffestiniog Railway Society Harbour Station Porthmadog LL49 9NF
Phone	07754069840
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Website	www.ffestiniograilway.org.uk

Activities

Objects: TO ADVANCE THE EDUCATION OF THE PUBLIC THROUGH CONSERVATION OF THE FFEISTNIOG RAILWAY FOR THE PUBLIC BENEFIT AND THROUGH THE PROMOTION AND ENCOURAGEMENT OF VOLUNTARY WORK IN SUPPORT OF THE FFEISTINIOG RAILWAY

Activities: The Society's objects are to advance the education of the public through conservation of the Ffestiniog Railway for the public benefit and through the promotion and encouragement of voluntary work in support of the Ffestiniog Railway.

Classification

- **How:** Makes Grants To Organisations, Provides Human Resources, Provides Buildings/facilities/open Space
- **What:** Education/training, Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-09-30	£461,233	£766,086	£2,769,409	0
2023-09-30	£1,315,265	£601,599	£3,031,665	0
2022-09-30	£1,089,397	£364,641	£2,317,999	0
2021-09-30	£635,257	£363,908	£1,593,243	0
2020-09-30	£362,279	£358,523	-	-

Trustees

Name	Role	Appointed
GRAHAM COLE	Chair	
Anthony Peter Deighan		2025-05-03
Barnabas Webster Frith		2024-05-04
Catherine Marie Knowles		2022-04-30
GRAHAM PAUL BOND		
James Joseph Leo		2025-05-03
Lyn Gore Graham-Taylor		2020-07-04
Nigel Clifford Smith		2015-05-02
PHILIP JAMES HAWKINS JP		
Roger David Bentley		2023-04-29
Terence David Newhouse		2025-05-03

Accounts

Charity registration number 1064178 (England and Wales)

Company registration number 00542449

FFESTINIOG RAILWAY SOCIETY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024

FFESTINIOG RAILWAY SOCIETY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr G Bond	
	Mr G Cole	
	Mr R D Bentley	
	Mr C M Tucker	
	Ms C M Knowles	
	Mr L Graham-Taylor	
	Mr N C Smith	
	Mr P J Hawkins	
	Mr B W Frith	(Appointed 4 May 2024)
Secretary	Mr J E Fenner	
Charity number (England and Wales)	1064178	
Company number	00542449	
Registered office	Harbour Station Porthmadog Gwynedd LL49 9NF	
Auditor	Champion Accountants LLP 2nd Floor Refuge House 33-37 Watergate Row Chester CH1 2LE	

FFESTINIOG RAILWAY SOCIETY

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FFESTINIOG RAILWAY SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 SEPTEMBER 2024

The trustees present their annual report and financial statements for the year ended 30 September 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The principal objective and aim of the Charity in the year under review was to advance the education of the public through the conservation of the Ffestiniog Railway. In practical terms, the activities of the charitable company in furtherance of its objectives are to support the Festiniog Railway Company in its preservation and operation of the Ffestiniog Railway.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

The year ending 30 September 2024 has been another successful year for the Ffestiniog Railway Society (the Society). This is particularly pleasing as it has been the 70th anniversary year following incorporation on 24 December 1954. Thanks to the generous support of members it was possible to provide a record amount of just over £650,000 in grant support to the Festiniog Railway Company. Hopefully, the pioneers who answered the call from Leonard Heath Humphreys to attend a meeting at Bristol in September 1951 would have been more than pleased with everything that has been achieved since then. It was a delight to be able to recognise the contributions made by the surviving attendees from the Bristol meeting and other early volunteers at the Annual General Meeting in May 2024.

Whilst it is right that we should celebrate past achievements it is also important that we are mindful of future challenges. The Society has continued to implement its revised Development Strategy which was introduced at the 2024 Annual General Meeting and in subsequent issues of the Ffestiniog Railway Magazine. A new membership category was introduced at an Extraordinary General Meeting held in July 2024 which is intended to encourage growth in the numbers of younger members. The challenge is for the next generation to play a key role in the Society making it relevant to not only themselves but the Ffestiniog Railway of the future. Only then will the legacy of the early pioneers go forward.

Volunteering has continued to provide approximately 50% of the total staff time during 2023/24 which is worth a very significant amount of money to the Company. It is pleasing to see that the regular groups, including Minibash, Megabash, Gigabash, Young Volunteers Training Week, Electrical Working Party, Drains Gang and many others have continued their important work. The Alco Group are continuing their project to rebuild the Mountaineer locomotive. All of these projects are supported by the Society. Individual volunteers work for the Operations and Locomotive departments with a very credible number of locomotive turns being covered by volunteers. The creation of a Volunteer Steering Group, with representation from the Society, has started the process of enhancing the volunteer experience for individuals and the Company.

A proposed headline increase of 10.8% in subscriptions for 2025 was approved by members in 2024. The Society Board is not seeking approval for a further increase in annual membership subscriptions to take effect from 2026 although some increases to life membership subscriptions are being sought. This standstill in the annual membership rate, together with the introduction of direct debit payment facilities, is intended as another measure to stabilise and grow membership numbers.

The Society has been pleased to be able to continue to support the management and operation of the hostels at Minfordd and Penrhyn which are so important to supporting volunteer involvement. Bed nights have continued to grow over and above the significant increase reported in the previous year. The Hostels Sub-Group has been reformed by the Hostels Director and now includes users, FRS directors and officers as well as the Hostel Warden. The September 2024 Board meeting did agree to the first increase in hostels fees for many years but these still remain exceptional value for money. This increase was necessary to be able to help maintain and improve the standard of accommodation available to volunteers.

FFESTINIOG RAILWAY SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 30 SEPTEMBER 2024**

The Society together with Cymdeithas Rheilffordd Eryri and the Ffestiniog and Welsh Highland Railways Trust had each loaned the Festiniog Railway Company the sum of £400,000 as part of the emergency arrangements required to ensure the survival of the Company following the severe restrictions on trading that were imposed in response to the covid pandemic. The Society had previously been able to convert a significant part of this loan into grants. In the previous year, the Society Board agreed to convert the outstanding sum of £91,804 to provide additional grants for the installation of welding fume extraction equipment at Boston Lodge, the purchase of a diesel shunter from the estate of the late Adrian Shooter and the purchase of two battery locomotives complete with a variety of spares.

Crossing (Lottie's) Cottage in Quarry Lane, Minffordd holds a very special place in the hearts of many members and volunteers. The building was an asset held by the Company pension fund which found itself in the position of having to realise the value of the asset in order to support the members of the fund. The Company determined to buy back the building from the pension fund and the Society Board agreed to provide a grant of £90,000 to support this purchase, for which specific donations were also received.

The Society has been pleased to have worked with the Company during the year to assist with the continuing implementation of the NLHF Boston Lodge project – the match funding for which has been provided in equal amounts by the Society and the Ffestiniog and Welsh Highland Railways Trust. This project has benefited from the largest ever single grant provided by the Society to the Company. Practical completion of the building works contract was achieved in November 2024. This major project has been very disruptive and the staff (both paid and volunteer) have had to make do with temporary mess and toilet facilities for much longer than expected. However, the completed facilities in the new Den have been well received. Of course, this project has not just been about building works but it has also included volunteering, interpretation and outreach to the local community, all of which have been very successful.

Work is now well underway on the restoration of Tan y Bwlch Station House. The Society Board was able to confirm funding for the final stages of this project at its September 2024 meeting. This was made possible thanks to a generous legacy. Many of the management techniques used on the NLHF Interpretation and Boston Lodge projects are now being rolled out to other projects on the Railways including Station House. This should see the project completed on budget and in time to receive the first occupants before the celebration in summer 2025 of the 70th anniversary of the new Company starting to run passenger trains in 1955.

The Tan y Bwlch Station House work is being carried out by the Mini-Bash team. Before moving on to Station House the team had completed the external restoration of Penrhyn Station. It was very pleasing to hear that the Society funded project had received a National Railway Heritage Award at a ceremony held on 4 December 2024.

The large amount of money held in restricted funds can be deceptive as it can only be used for the purposes expressed by those who have donated. The Society Board has revised its investment policy and it is now benefiting from substantially higher rates of return from these cash balances. However, the opportunity to put these funds to good use as soon as possible is not overlooked and the Stations Fund was used to complete a much needed upgrade of the platform at Blaenau Ffestiniog as part of the 2023/24 winter works programme. This was the first stage of developments at the northern terminus of the Ffestiniog Railway.

The 2024 season got off to a difficult start with many factors including the weather, major sporting events and, of course, a General Election, not to mention a cost of living crisis, that all contributed to sluggish traffic figures. Thanks to a lot of hard work by all concerned the trading position has been much better in the summer and autumn periods. The Society Board has readily agreed to support the Company by allocating funds to a number of projects for completion in the last quarter of the calendar year which should have a positive impact on the trading position. The trustees / directors have been pleased to engage in collaborative discussions with the Company and look forward to being able to continue this approach in 2025.

The Society would not have been able to help the Company in its successful development over the last 70 years without the continued and generous support of its many members past and present for which we are very grateful. There is still a lot to do in order to move from a 'Sustainable' to a 'Regenerative' railway and the Society Board and its officers will continue to provide as much support as possible to achieve this ambition.

FFESTINIOG RAILWAY SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

Financial review

The Society ended the 2024 financial year in a strong financial position, continuing the theme from the last couple of years, despite the financial contributions to the Festiniog Railway Company being an all time record of £651,849, compared with the figure of £506,725 from the previous year.

From the General Fund, the major contributions and projects support have included the Boston Lodge NLHF project (£263,938), the purchase of Lotties' Cottage (£90,000) and the continued support of the volunteer work on Heritage Waggons (£10,016).

Of the Restricted Funds, we have supported last winter's platform and other works at Blaenau Ffestiniog (£98,600), made final contributions to Linda's overhaul (£33,998), the Tan y Bwlch station house project (£23,846) and the overhaul of Prince (£20,684). The continued support of the repainting of the Victorian Set saw carriages 18 and 19 and the Curly Roof Van looking splendid at the Bygones Weekend, following support of £28,674. With the team deep in the throes of the Alco Mountaineer overhaul, some spend has now commenced, with £6,267 spent on initial work.

The mix of projects supported cover a whole host of activities involving both volunteer projects and paid staff time.

There are two significant changes in income profile compared to the 2023 financial year with legacies significantly reduced due to the smaller number of legacies received (2023 saw the receipt of the last part of the stations legacy). Conversely, interest income is significantly increased in 2024 as the combination of large cash balances (largely due to previous legacies and other activity) and falling retail interest rates enabled the Society to implement a new investment strategy with money market funds held by JP Morgan/Black Rock. This enabled total investment income to reach £118,115 in 2024 compared to £25,901 in the year before. Expected income will be slightly lower in 2025 due to a further downward shift in interest rates but the money market advantage will still deliver a greater return than otherwise.

The breakdown of membership numbers is as follows:

Annual members	2024	2023
Full	694	755
Associate full	163	180
Senior citizen	1,517	1,572
Associate senior citizen	359	367
Family - 1st adult	119	112
Family - 2nd adult	118	111
Family - children	187	190
Junior	13	22
Volunteer student	12	20
Total	3,182	3,329
Life members	2024	2023
Full	1,246	1,259
Associate full	186	187
Senior citizen	133	120
Covenanted	76	70
Honorary	6	6
Total	1,647	1,642
Total membership	4,829	4,971

FFESTINIOG RAILWAY SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 30 SEPTEMBER 2024**

The operating cost profile of the Society was slightly higher than 2023 largely as a result of the timing of spend such as the magazine printing and hostel costs.

The overall reserves of the Society remain very healthy and allow the Society to continue to commit to significant support for the Ffestiniog Railway.

Reserves policy

The Society's policy is to maintain an adequate reserve so as to enable it to discharge its charitable objectives and meet its ongoing day to day requirements. This being the case, the trustees consider that twelve months of general fund expenditure is an appropriate level of reserve to meet the day-to-day running costs of the charity including maintaining production of the in-house magazine and support for the running of the volunteer hostels, with this amounting to a sum of £114,000.

The main need of course is to hold sufficient reserves for its core objective of supporting the Ffestiniog Railway, which includes collecting unrestricted, designated and restricted funds for a number of projects, administering and collecting moneys from the annual appeals as well as raising and maintaining sufficient general funds to meet its obligations for committed charitable objects. As at the end of 2024, the Society's main funds stood at:

Restricted funds: £2,356,939 (2023: £2,480,068)

The restricted funds held by the charity are only available for use on specific projects which are taken forward as resources become available to the Festiniog Railway Company. A detailed analysis of these projects is disclosed in note 17 of the financial statements.

General funds: £412,470 (2023: £551,597)

The Society's 'free' reserve for the year being a surplus of £412,470 (2023: a surplus of £551,597).

Fundraising

Active fundraising continued with regards to the England fund to support the overhaul of Prince, including the on train envelope appeal which, whilst winding down as the loco nears completion, still raised £10,699 including Gift Aid. The Mountaineer appeal also continues with the majority of the income coming from monthly standing orders and additional funds from the sales of merchandise, all adding up to £17,100.

Gift Aid remains a significant contributor to Society funds with £42,597 attributed to 2024.

Plans for future periods

The Society is expecting to see the completion of the Boston Lodge NLHF project and remaining grants concluding in the 2025 financial year. Other significant supported projects are continuing such as Tan y Bwlch station house as well as further exploration of station developments at Blaenau Ffestiniog.

Structure, governance and management

The charity is controlled by its governing document, a memorandum and articles of association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

FFESTINIOG RAILWAY SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr G Bond

Mr J P Bowley (Resigned 4 May 2024)

Mr G Cole

Mr R D Bentley

Mr C M Tucker

Ms C M Knowles

Mr L Graham-Taylor

Dr A F Tucker (Resigned 4 May 2024)

Mr N C Smith

Mr D R Jones (Resigned 4 May 2024)

Mr P J Hawkins

Mr B W Frith (Appointed 4 May 2024)

Recruitment and appointment of trustees

All trustees are elected for a period of 3 years and have to stand for re-election every three years if continuing. This election happens at the AGM. Even if someone is co-opted during the year, they still have to formally stand at the next election.

Induction and training of trustees

As part of their induction, new Board members are made aware of their responsibilities as board members. The induction includes an introduction to the objectives, scope and policies of the charitable funds. Charity commission information on trustee responsibility and copies of the previous year's annual report and accounts are provided.

Relationship with third parties

At the year end the Society holds five ordinary shares and one preference share in the Festiniog Railway Company, which have all been bequeathed to the Society. This constitutes a minority share and does not give any control to the Society. The Society makes grants to the Festiniog Railway Company as part of the pursuance of the main activities of the Society.

The Society also has the right to nominate to the Ffestiniog Railway Trustees for appointment one place on the Board of the Festiniog Railway Company as part of a reciprocal arrangement.

The Society interacts with area and functional groups, which have the common aims of supporting the Ffestiniog Railway.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Relationship with related parties

The trustees consider the only key management personnel of the charity to be the board of trustees, who are in charge of directing, controlling, running and operating the charity on a day-to-day basis. Details of the trustees' remuneration, expenses and related party transactions are disclosed in a note to the accounts.

Auditor

In accordance with the company's articles, a resolution proposing that Champion Accountants LLP be reappointed as auditor of the company will be put at a General Meeting.

FFESTINIOG RAILWAY SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 30 SEPTEMBER 2024*

The Trustees' report was approved by the Board of Trustees.

Mr G Cole
Chairman

15 March 2025

FFESTINIOG RAILWAY SOCIETY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2024

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FFESTINIOG RAILWAY SOCIETY

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF FFEESTINIOG RAILWAY SOCIETY

Opinion

We have audited the financial statements of Ffestiniog Railway Society (the 'charity') for the year ended 30 September 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

FFESTINIOG RAILWAY SOCIETY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF FFESTINIOG RAILWAY SOCIETY

Responsibilities of trustees

As explained more fully in the statement of Trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Extent to which the audit is considered capable of detecting irregularities, including fraud

The responsibility for the prevention and detection of irregularities, including fraud, lies with the trustees and with those charged with governance. The objectives of our audit in respect of irregularities and fraud are to assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient, appropriate audit evidence regarding the assessed risks and to respond appropriately to fraud or suspected fraud identified during the audit.

As part of our planning process

- We enquired of management the systems and controls the company has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. Management did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following were most relevant: FRS 102, Companies Act 2006, and compliance with health and safety laws.
- We considered the incentives and opportunities that exist in the company, including the extent of management bias, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly.
- Using our knowledge of the company, together with the discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries in overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, in particular in relation to depreciation methods.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Documenting and verifying all significant related party balances and transactions.

FFESTINIOG RAILWAY SOCIETY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF FFESTINIOG RAILWAY SOCIETY

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing Standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available 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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Susan Harris MA ACA (Senior Statutory Auditor)

For and on behalf of Champion Accountants LLP, Statutory Auditor

Chartered Accountants

2nd Floor Refuge House

33-37 Watergate Row

Chester

CH1 2LE

15 March 2025

Champion Accountants LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

FFESTINIOG RAILWAY SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2024

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
	Notes						
Income from:							
Donations and legacies	3	183,572	62,188	245,760	122,716	1,021,900	1,144,616
Charitable activities	4	139,955	-	139,955	144,748	-	144,748
Investments	5	43,237	74,878	118,115	6,457	19,444	25,901
Total income		366,764	137,066	503,830	273,921	1,041,344	1,315,265
Expenditure on:							
Charitable activities	6	506,205	259,881	766,086	382,458	219,141	601,599
Total expenditure		506,205	259,881	766,086	382,458	219,141	601,599
Net income/(expenditure)		(139,441)	(122,815)	(262,256)	(108,537)	822,203	713,666
Transfers between funds		314	(314)	-	-	-	-
Net movement in funds		(139,127)	(123,129)	(262,256)	(108,537)	822,203	713,666
Reconciliation of funds:							
Fund balances at 1 October 2023		551,597	2,480,068	3,031,665	660,134	1,657,865	2,317,999
Fund balances at 30 September 2024		412,470	2,356,939	2,769,409	551,597	2,480,068	3,031,665

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

FFESTINIOG RAILWAY SOCIETY

BALANCE SHEET

AS AT 30 SEPTEMBER 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	11		3		3
Investments	12		6		6
			<u>9</u>		<u>9</u>
Current assets					
Debtors	13	104,074		92,841	
Cash at bank and in hand		2,877,849		3,081,002	
		<u>2,981,923</u>		<u>3,173,843</u>	
Creditors: amounts falling due within one year	14	(124,052)		(70,603)	
Net current assets			<u>2,857,871</u>		<u>3,103,240</u>
Total assets less current liabilities			<u>2,857,880</u>		<u>3,103,249</u>
Creditors: amounts falling due after more than one year	15		(88,471)		(71,584)
Net assets			<u><u>2,769,409</u></u>		<u><u>3,031,665</u></u>
The funds of the charity					
Restricted income funds	17	2,356,939		2,480,068	
Unrestricted funds	18	412,470		551,597	
		<u>2,769,409</u>		<u>3,031,665</u>	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 September 2024.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the trustees on 15 March 2025

Mr G Cole
Chairman

Company registration number 00542449 (England and Wales)

FFESTINIOG RAILWAY SOCIETY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	21		(321,268)		1,604,483
Investing activities					
Investment income received		118,115		25,901	
Net cash generated from investing activities			118,115		25,901
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(203,153)		1,630,384
Cash and cash equivalents at beginning of year			3,081,002		1,450,618
Cash and cash equivalents at end of year			2,877,849		3,081,002

FFESTINIOG RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

Charity information

Ffestiniog Railway Society is a private company limited by guarantee incorporated in England and Wales. The registered office is Harbour Station, Porthmadog, Gwynedd, LL49 9NF.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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 Society 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. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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.

FFESTINIOG RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

(Continued)

Subscription and Society membership income are recognised according to the above criteria with the exception of amounts received and deemed to be received in advance, which are deferred until the income recognition criteria are met:

- Annual membership relating to 3/12 of the membership income is deferred until the subsequent period.
- Advanced membership receipts are deferred and released in the period to which they relate.
- Diamond Jubilee Appeal income is received for a 5-year membership period and is deferred and apportioned accordingly.
- Life and associated life membership income is deferred and amortised over a 10-year period, which is commensurate to the policy adopted by other similar organisations.

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.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

In order for donations to meet this recognition criteria, agreements in principle to provide funding for proposed projects are not recognised until valid expense claims are made to the Society, discussed by its board and approved for release.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	20% per annum straight line.
Office equipment	20% per annum straight line.
Society films	20% per annum straight line.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

FFESTINIOG RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Taxation

The charity is exempt from corporation tax on its charitable activities.

1.11 Concessionary loans to the Festiniog Railway Company

As part of its response to the restrictions imposed due to the Coronavirus outbreak, the Society set forth a plan to support the Company through this unprecedented challenge. As part of this, a loan of £250,000 was made to the Company in April 2020, which was then followed by a further £150,000 at the beginning in July 2020.

Both these loans were treated as being repayable on demand and are interest free. Since their initial drawdown by the Company, repayments have been made either through the conversion of balances to notional donations for work carried out on certain projects, or through 'cash' repayments. There is a separate loan advanced to the Festiniog Railway Company of £27,000 to cover cashflow timing differences between projects being undertaken and funds being claimed from the Society.

In line with the provisions within the accounting standards, these loans are recognised initially at cost, with repayments or conversions to grants being recognised in the relevant periods.

1.12 Voluntary assistance

The charitable company has no employees and many of its members give freely of their time to carry out all of the activities of the company. These voluntary contributions are not included in the accounts.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

FFESTINIOG RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

3 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	44,214	55,919	100,133	25,703	74,674	100,377
Legacies	103,030	-	103,030	70,283	932,585	1,002,868
Gift Aid	36,328	6,269	42,597	26,730	14,641	41,371
	<u>183,572</u>	<u>62,188</u>	<u>245,760</u>	<u>122,716</u>	<u>1,021,900</u>	<u>1,144,616</u>

4 Income from charitable activities

	Charitable activities 2024 £	Charitable activities 2023 £
Subscription income	112,424	117,847
Hostel income	21,179	21,228
Magazine income	5,679	4,804
Sundry income	673	869
	<u>139,955</u>	<u>144,748</u>
Analysis by fund		
Unrestricted funds	<u>139,955</u>	<u>144,748</u>

5 Income from investments

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Interest receivable	<u>43,237</u>	<u>74,878</u>	<u>118,115</u>	<u>6,457</u>	<u>19,444</u>	<u>25,901</u>

FFESTINIOG RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

6 Expenditure on charitable activities

	Charitable activities 2024 £	Charitable activities 2023 £
Direct costs		
Donations to Ffestiniog Railway Company	651,849	506,725
Hostel expenses	54,419	50,279
Magazine production costs	40,027	27,410
Registry expenses	1,415	2,205
Sundry expenses	4,559	3,231
Postage and printing costs	2,056	1,872
Other railway support	1,567	-
	<u>755,892</u>	<u>591,722</u>
Share of support and governance costs (see note 7)		
Support	3,194	2,377
Governance	7,000	7,500
	<u>766,086</u>	<u>601,599</u>
Analysis by fund		
Unrestricted funds	506,205	382,458
Restricted funds	259,881	219,141
	<u>766,086</u>	<u>601,599</u>

7 Support costs allocated to activities

	2024 £	2023 £
Finance costs	3,194	2,377
Governance costs	7,000	7,500
	<u>10,194</u>	<u>9,877</u>
Analysed between:		
Charitable activities	<u>10,194</u>	<u>9,877</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

FFESTINIOG RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

9 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Total	-	-

There were no employees whose annual remuneration was more than £60,000.

10 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

11 Tangible fixed assets

	Plant and equipment £	Office equipment £	Society films £	Total £
Cost				
At 1 October 2023	1,100	1,536	409	3,045
At 30 September 2024	1,100	1,536	409	3,045
Depreciation and impairment				
At 1 October 2023	1,099	1,535	408	3,042
At 30 September 2024	1,099	1,535	408	3,042
Carrying amount				
At 30 September 2024	1	1	1	3
At 30 September 2023	1	1	1	3

12 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 October 2023 & 30 September 2024	6
Carrying amount	
At 30 September 2024	6
At 30 September 2023	6

FFESTINIOG RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

12 Fixed asset investments

(Continued)

There were no investment assets outside the UK.

The above figures consist of:

a. The Festiniog Railway Company 100 5% preference shares of £10 each - at cost - £1

b. 5 ordinary shares of £1 each - at cost - £5

In the opinion of the trustees, the market value of the shares is similar to their cost.

13 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Gift aid debtors	47,587	34,706
Other debtors	56,487	58,135
	<u>104,074</u>	<u>92,841</u>

14 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Deferred income	16	55,188	41,109
Trade creditors		47,219	-
Other creditors		14,145	21,994
Accruals		7,500	7,500
		<u>124,052</u>	<u>70,603</u>

15 Creditors: amounts falling due after more than one year

	Notes	2024 £	2023 £
Deferred income	16	<u>88,471</u>	<u>71,584</u>

16 Deferred income

	2024 £	2023 £
Arising from Subscriptions in Advance	<u>143,659</u>	<u>112,693</u>

Deferred income is included in the financial statements as follows:

FFESTINIOG RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

16 Deferred income

(Continued)

	2024 £	2023 £
Deferred income is included within:		
Current liabilities	55,188	41,109
Non-current liabilities	88,471	71,584
	<u>143,659</u>	<u>112,693</u>
Movements in the year:		
Deferred income at 1 October 2023	112,693	111,942
Released from previous periods	(41,109)	(45,586)
Resources deferred in the year	<u>72,075</u>	<u>46,337</u>
Deferred income at 30 September 2024	<u>143,659</u>	<u>112,693</u>

FFESTINIOG RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

17 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 October 2023	Incoming resources	Resources expended	Transfers	At 30 September 2024
	£	£	£	£	£
Heritage Fund	7,615	1,050	-	-	8,665
Volunteer Hostels' Fund	1,567	-	(1,567)	-	-
Minffordd Station	3,913	157	-	-	4,070
Tan y Bwlch Station	834	2,875	(396)	-	3,314
Kids Week	7,017	268	(6,302)	-	983
Lineside Vehicle	32,414	(12)	(32,402)	-	-
Hugh Napier	1,485	60	-	-	1,544
England Locos	82,865	14,217	(20,684)	-	76,398
Linda	42,562	818	(33,998)	-	9,382
Mountaineer	51,505	19,451	(6,603)	-	64,354
Kerr Stuart diesel 4415	10,726	8,208	(3,125)	-	15,809
James Spooner	64,072	6,450	-	-	70,522
Vintage Carriages	79,124	2,922	(28,674)	-	53,372
Stations	1,245,019	29,155	(101,176)	-	1,172,998
LAG drains	1,304	38	(1,342)	-	-
Archives	9,266	10,260	-	-	19,526
Waggon Tracks	1,185	54	-	-	1,239
Permanent way	138,465	5,549	-	-	144,014
Heritage Buildings	356,261	15,274	(23,485)	-	348,050
Infrastructure	321,588	13,496	(128)	-	334,956
Health & Safety and Others	21,281	6,776	-	(314)	27,743
	<u>2,480,068</u>	<u>137,066</u>	<u>(259,881)</u>	<u>(314)</u>	<u>2,356,939</u>

FFESTINIOG RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

17 Restricted funds

(Continued)

Previous year:	At 1 October 2022	Incoming resources	Resources expended	Transfers	At 30 September 2023
	£	£	£	£	£
Heritage Fund	7,139	476	-	-	7,615
Volunteer Hostels' Fund	1,554	13	-	-	1,567
Minffordd Station	3,356	557	-	-	3,913
Tan y Bwlch Station	28	807	-	-	835
Kids Week	6,895	122	-	-	7,017
Lineside Vehicle	25,513	6,902	-	-	32,414
Hugh Napier	1,455	29	-	-	1,485
England Locos	45,075	37,790	-	-	82,865
Linda	73,176	14,866	(45,481)	-	42,562
Mountaineer	37,773	13,732	-	-	51,505
Kerr Stuart diesel 4415	20,062	3,930	(13,265)	-	10,726
James Spooner	61,371	2,701	-	-	64,072
Vintage Carriages	78,385	739	-	-	79,124
Stations	750,000	510,266	(15,247)	-	1,245,019
LAG drains	1,852	17	(566)	-	1,304
Archives	8,497	769	-	-	9,266
Waggon Tracks	942	243	-	-	1,185
Permanent way	136,560	1,905	-	-	138,465
Heritage Buildings	354,705	10,981	(9,425)	-	356,261
Health & Safety and Others	43,527	434,498	(135,157)	-	342,868
	<u>1,657,865</u>	<u>1,041,344</u>	<u>(219,141)</u>	<u>-</u>	<u>2,480,068</u>

18 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 October 2023	Incoming resources	Resources expended	Transfers	At 30 September 2024
	£	£	£	£	£
General funds	<u>551,597</u>	<u>366,764</u>	<u>(506,205)</u>	<u>314</u>	<u>412,470</u>
Previous year:	At 1 October 2022	Incoming resources	Resources expended	Transfers	At 30 September 2023
	£	£	£	£	£
General funds	<u>660,134</u>	<u>273,921</u>	<u>(382,458)</u>	<u>-</u>	<u>551,597</u>

FFESTINIOG RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

19 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 30 September 2024:			
Tangible assets	3	-	3
Investments	6	-	6
Current assets/(liabilities)	500,932	2,356,939	2,857,871
Long term liabilities	(88,471)	-	(88,471)
	<u>412,470</u>	<u>2,356,939</u>	<u>2,769,409</u>
	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 30 September 2023:			
Tangible assets	3	-	3
Investments	6	-	6
Current assets/(liabilities)	623,172	2,480,068	3,103,240
Long term liabilities	(71,584)	-	(71,584)
	<u>551,597</u>	<u>2,480,068</u>	<u>3,031,665</u>

20 Related party transactions

As stated in the principal activities section of the trustees' report, the purpose of the company is to support the restoration of the Ffestiniog Railway. For many years, there has been an arrangement whereby the company nominated one director onto the board of The Festiniog Railway Company and that company nominated a person to sit on the board of this company. At the start and end of the year, Graham Cole was the Society nominee. Graham Cole has not received any benefit from the Society during the year.

During the year, the Ffestiniog Railway Society made donations totalling £651,849 (2023: £506,725) to The Festiniog Railway Company. The makeup of which being made up of current year donations amounting to £651,849 (2023: £414,921), a conversion of the COVID support loan of £nil (2023: £91,804) and year end accruals amounting to £nil (2023: £nil).

The Society also had transactions with related groups and the FR Co during the year, and at the year end the Festiniog Railway Company amount owed to the Society stood at £27,000 (2023: £27,000), with this amount being included within debtors on the balance sheet. The Society also retained funds on behalf of the Dee & Mersey and FR Heritage groups, with the total held within creditors amounting to £14,094 (2023: £21,994).

FFESTINIOG RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

21	Cash generated from operations	2024 £	2023 £
	(Deficit)/surplus for the year	(262,256)	713,666
	Adjustments for:		
	Investment income recognised in statement of financial activities	(118,115)	(25,901)
	Movements in working capital:		
	(Increase)/decrease in debtors	(11,233)	986,495
	Increase/(decrease) in creditors	39,370	(70,528)
	Increase in deferred income	30,966	751
	Cash (absorbed by)/generated from operations	(321,268)	1,604,483

22 Analysis of changes in net funds

The charity had no material debt during the year.

Accounts

Charity registration number 1064178

Company registration number 00542449 (England and Wales)

FFESTINIOG RAILWAY SOCIETY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

FFESTINIOG RAILWAY SOCIETY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr G Bond	
	Mr J P Bowley	(Appointed 10 June 2023)
	Mr G Cole	
	Mr R D Bentley	(Appointed 29 April 2023)
	Mr C M Tucker	
	Ms C M Knowles	
	Mr L Graham-Taylor	
	Dr A F Tucker	
	Mr N C Smith	
	Mr D R Jones	
	Mr P J Hawkins	
Secretary	Mr J E Fenner	
Charity number	1064178	
Company number	00542449	
Registered office	Harbour Station Porthmadog Gwynedd LL49 9NF	
Auditor	Champion Accountants LLP 2nd Floor Refuge House 33-37 Watergate Row Chester CH1 2LE	

FFESTINIOG RAILWAY SOCIETY

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FFESTINIOG RAILWAY SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

The trustees present their annual report and financial statements for the year ended 30 September 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The principal objective and aim of the Charity in the year under review was to advance the education of the public through the conservation of the Ffestiniog Railway. In practical terms, the activities of the charitable company in furtherance of its objectives are to support the Festiniog Railway Company in its preservation and operation of the Ffestiniog Railway.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Volunteering has continued to provide approximately 50% of the total staff time during 2023 which is worth a very significant amount of money to the Festiniog Railway Company. It is pleasing to see that the regular groups, including Minibash, Megabash, Gigabash, Young Volunteers Training Week, Electrical Working Party, Drains Gang and many others have continued their important work. Individual volunteers supported the Operations and Locomotive departments with a very credible number of locomotive turns being covered by volunteers. The appointment of an engineering volunteers manager as part of the NLHF Interpretation and Boston Lodge Project (also known as the Boston Lodge project) has helped to significantly improve the management and planning of the volunteer contribution to the Company.

Train services continued to operate as largely pre-booked experiences during the year with the Ffestiniog Railway offering Woodland Wanderer services to Tanybwllch, Mountain Spirit services to Blaenau Ffestiniog and, new for 2023, a Quarryman service from Blaenau to Porthmadog and return. Y Chwarelwr / The Quarryman has been a great success and has been well received in Blaenau itself. This excursion style type of operation is not to everybody's liking but it has helped to deliver a successful commercial performance for the Company, despite difficult trading conditions, which is not something that every heritage railway has been able to achieve in the current year. The Company's decision to maintain the current travel concessions was welcomed. This was made possible because the vast majority of members followed the guidance provided for which the Directors are very grateful.

The Society has been pleased to have worked with the Company during the year to assist with the implementation of the NLHF Boston Lodge project – the match funding for which has been provided in equal amounts by the Society and the Ffestiniog and Welsh Highland Railways Trust. The Society's chairman has been a member of the Project Board during this period. Excellent progress has been made with the interpretation part of the project and the results of the outreach effort have exceeded expectations. We are looking forward to completion of the project during the Company and Society's 70th Anniversary year.

The Society was able to hold a second 'face-to-face' Annual General Meeting in four years at its 2023 event. This was supported by a large number of events over that weekend which were only available to members. These events were designed to give members better access to operations and developments on the Ffestiniog Railway and its environment. The whole weekend was well received by members.

FFESTINIOG RAILWAY SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

The Board was pleased to be able to appoint Simon Artymiuk and Gareth Davies to the posts of Magazine Editor and Assistant Secretary during the year. These posts are vital to the smooth and successful operation of the Society.

The Society has been pleased to have been able to help support the Festiniog Railway Company throughout what has been another challenging year. Volunteers and members of the Society have been able to assist in delivering an outturn which is very encouraging given the difficult times that we are still experiencing. The trustees / directors are very grateful for the generous donations from members that have made such support possible.

The Society has been pleased to be able to continue to support the management and operation of the hostels at Minffordd and Penrhyn which are so important to supporting volunteer involvement. Bed nights have continued to grow over and above the significant increase reported in the previous year which followed the limited use that was possible during the period of COVID restrictions. Once again, your Board determined not to increase hostel fees for 2023/24 following the freeze in 2022/23. In late 2022 the Society Board adopted the recommendation of the Hostels committee to provide younger volunteers with free hostel accommodation. These policies have influenced the increase in bed nights and the consequent increase in volunteer effort. This approach continues to receive much appreciation from both the Company and individual volunteers. Overall hostel income has continued to recover from the restricted years of COVID, with overall income just short of 2019 figures.

The Minibash team have completed a very thorough refurbishment of the exterior of Penrhyn hostel which was paid for by the Society. The next step will be to review and upgrade the internal facilities.

It is pleasing to report a small increase in the total membership of the Society from 4,830 to a year figure of 4,971. The proportion of life membership remains consistent at around 34% of the total population, whilst the increase in the year is from families and full members.

Financial review

The Society has had a record financial year, with overall funds increasing by £713,666 whilst also seeing donations to the Festiniog Railway Company of £506,725.

Income is dominated by further significant legacies, which in this year totalled just over £1,000,000, on top of over £782,000 last year. The primary legacies have been in respect of Stations (£500,000) and infrastructure (£432,585). We have already been able to support projects from these generous amounts, committing to the resurfacing of Blaenau Station platform and reroofing of both Tan y Grisiau goods shed and Glan y Pwll workshop. These legacies will allow the the Society to support many more projects including the plans at TyB Station House, Lottie's Cottage and Blaenau Ffestiniog Station.

In addition to the substantial legacies, subscriptions income and donations have remained strong. We have also seen a big pickup in interest income to £25,901 as a combination of the larger amounts on bank deposit and the higher interest rates now in play. Going forward into 2024 we expect to see a further significant increase in interest as we implement a new investment strategy.

Expenditure has remained similar to previous years and, as in previous years, the contributions to the Festiniog Railway Company remain the biggest part. Included in the donations are the conversion of the remaining amount of the COVID loan (initially £400,000) of £91,804 to grants. In addition, £175,851 of general funds were paid over in respect of the NLHF project at Boston Lodge.

Projects supported from the restricted funds include the above mentioned reroofings, rebuilding the access wall to Tan y Bwlch station, work on Tan y Bwlch station house, Penrhyn station building and locos Linda and Kerr Stuart 4415.

FFESTINIOG RAILWAY SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

Reserves policy

The Society's policy is to maintain an adequate reserve so as to enable it to discharge its charitable objectives and meet its ongoing day to day requirements. This being the case, the trustees consider that twelve months of general fund expenditure is an appropriate level of reserve to meet the day-to-day running costs of the charity including maintaining production of the in-house magazine and support for the running of the volunteer hostels, with this amounting to a sum of £95,000.

The main need of course is to hold sufficient reserves for its core objective of supporting the Ffestiniog Railway, which includes collecting unrestricted, designated and restricted funds for a number of projects, administering and collecting moneys from the annual appeals as well as raising and maintaining sufficient general funds to meet its obligations for committed charitable objects. As at the end of 2023, the Society's main funds stood at:

Restricted funds: £2,480,068 (2022: £1,657,865)

The restricted funds held by the charity are only available for use on specific projects which are taken forward as resources become available to the Festiniog Railway Company. A detailed analysis of these projects is disclosed in note 17 of the financial statements.

General funds: £551,597 (2022: 660,134)

The Society's 'free' reserve for the year being a surplus of £551,597 (2022: a surplus of £660,134).

Fundraising

The year has seen the continuance of the appeal to raise funds to support the Boston Lodge project – whilst not as successful as hoped for, this is still providing a significant contribution to the Society's ability to fund our share of the project.

The on trains envelope appeal transitioned to supporting the Prince fund and its return to service in 2025. With other donations, this raised a further £37,790 during the current year, putting the fund at £82,865 and in the position to consider the commencement of work – Prince was the first working steam loco in preservation nearly 70 years ago.

Other loco appeals currently underway include Mountaineer, where the fund is now at a respectable £51,505 and Linda, where the appeal exceeded the £60,000 target and went on to achieve £107,649 (which will cover new cylinders that will be required in the near term).

Plans for future periods

Subsequent to the year end, the Society agreed to convert the remaining balance of the COVID loan that was instigated in 2020. This remaining balance of £91,804 was converted into substantial grants to the Festiniog Railway Company which has been reflected in the 2023 financial year.

Structure, governance and management

The charity is controlled by its governing document, a memorandum and articles of association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

FFESTINIOG RAILWAY SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr G Bond	
Mr J P Bowley	(Appointed 10 June 2023)
Mr G Cole	
Mr R D Bentley	(Appointed 29 April 2023)
Mr C M Tucker	
Ms C M Knowles	
Mr L Graham-Taylor	
Dr A F Tucker	
Mr N C Smith	
Mr D R Jones	
Mr P J Hawkins	
Mr S G Miller	(Resigned 29 April 2023)

Recruitment and appointment of trustees

All trustees are elected for a period of 3 years and have to stand for re-election every three years if continuing. This election happens at the AGM. Even if someone is co-opted during the year, they still have to formally stand at the next election.

Induction and training of trustees

As part of their induction, new Board members are made aware of their responsibilities as board members. The induction includes an introduction to the objectives, scope and policies of the charitable funds. Charity commission information on trustee responsibility and copies of the previous year's annual report and accounts are provided.

Relationship with third parties

At the year end the Society holds five ordinary shares and one preference share in the Festiniog Railway Company, which have all been bequeathed to the Society. This constitutes a minority share and does not give any control to the Society. The Society makes grants to the Festiniog Railway Company as part of the pursuance of the main activities of the Society.

The Society also has the right to nominate to the Ffestiniog Railway Trustees for appointment one place on the Board of the Festiniog Railway Company as part of a reciprocal arrangement.

The Society interacts with area and functional groups, which have the common aims of supporting the Ffestiniog Railway.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Relationship with related parties

The trustees consider the only key management personnel of the charity to be the board of trustees, who are in charge of directing, controlling, running and operating the charity on a day-to-day basis. Details of the trustees' remuneration, expenses and related party transactions are disclosed in a note to the accounts.

Auditor

In accordance with the company's articles, a resolution proposing that Champion Accountants LLP be reappointed as auditor of the company will be put at a General Meeting.

FFESTINIOG RAILWAY SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

The Trustees' report was approved by the Board of Trustees.

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Chairman

Date: 16 MARCH 2024

FFESTINIOG RAILWAY SOCIETY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2023

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

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FFESTINIOG RAILWAY SOCIETY

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF FFESTINIOG RAILWAY SOCIETY

Opinion

We have audited the financial statements of Ffestiniog Railway Society (the 'charity') for the year ended 30 September 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

FFESTINIOG RAILWAY SOCIETY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF FFESTINIOG RAILWAY SOCIETY

Responsibilities of trustees

As explained more fully in the statement of Trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Extent to which the audit is considered capable of detecting irregularities, including fraud

The responsibility for the prevention and detection of irregularities, including fraud, lies with the trustees and with those charged with governance. The objectives of our audit in respect of irregularities and fraud are to assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient, appropriate audit evidence regarding the assessed risks and to respond appropriately to fraud or suspected fraud identified during the audit.

Audit procedures

We determine significant applicable laws and regulations through discussion with those charged with governance and our own knowledge of the industry and design audit procedures to help identify instances of non-compliance with those laws and regulations that may have a material effect on the financial statements.

Our approach is to consider the legal and regulatory frameworks directly applicable to the financial statements reporting framework ((FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations in the UK; the nature of the industry; the business performance and the key drivers for management remuneration; the control environment and the procedures in place to address identified risks, including management override, non-compliance with laws and regulations and to prevent and detect fraud or irregularity. We communicate identified laws and regulations throughout our team and remain alert to any indications of non-compliance throughout the audit.

Our procedures are designed to provide reasonable assurance that the financial statements are free from material misstatement or error and include: enquiries of management and of staff in key compliance functions; review of minutes of meetings of those charged with governance; review and testing of manual journals and significant transactions outside the normal course of business; review of financial statement disclosures and testing to supporting documentation; performance of analytical procedures.

We are not responsible for preventing non-compliance and due to the inherent limitations of an audit, as described above, the audit cannot be relied upon to detect all instances of non-compliance with laws and regulations.

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

FFESTINIOG RAILWAY SOCIETY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF FFEISTINIOG RAILWAY SOCIETY

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Susan Harris

Susan Harris MA ACA (Senior Statutory Auditor)
for and on behalf of Champion Accountants LLP

19 March 2024

Chartered Accountants
Statutory Auditor

2nd Floor Refuge House
33-37 Watergate Row
Chester
CH1 2LE

Champion Accountants LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

FFESTINIOG RAILWAY SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
Income from:							
Donations and legacies	3	122,716	1,021,900	1,144,616	150,273	800,389	950,662
Charitable activities	4	144,748	-	144,748	137,552	-	137,552
Investments	5	6,457	19,444	25,901	791	392	1,183
Total income		<u>273,921</u>	<u>1,041,344</u>	<u>1,315,265</u>	<u>288,616</u>	<u>800,781</u>	<u>1,089,397</u>
Charitable activities	6	382,458	219,141	601,599	320,645	43,996	364,641
Net income/(expenditure)		<u>(108,537)</u>	<u>822,203</u>	<u>713,666</u>	<u>(32,029)</u>	<u>756,785</u>	<u>724,756</u>
Transfers between funds		-	-	-	(10,615)	10,615	-
Net movement in funds		<u>(108,537)</u>	<u>822,203</u>	<u>713,666</u>	<u>(42,644)</u>	<u>767,400</u>	<u>724,756</u>
Reconciliation of funds:							
Fund balances at 1 October 2022		660,134	1,657,865	2,317,999	702,778	890,465	1,593,243
Fund balances at 30 September 2023		<u>551,597</u>	<u>2,480,068</u>	<u>3,031,665</u>	<u>660,134</u>	<u>1,657,865</u>	<u>2,317,999</u>

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

FFESTINIOG RAILWAY SOCIETY

BALANCE SHEET

AS AT 30 SEPTEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	11		3		3
Investments	12		6		6
			<u>9</u>		<u>9</u>
Current assets					
Debtors	13	92,841		1,079,336	
Cash at bank and in hand		3,081,002		1,450,618	
		<u>3,173,843</u>		<u>2,529,954</u>	
Creditors: amounts falling due within one year	14	70,603		145,608	
Net current assets			3,103,240		2,384,346
Total assets less current liabilities			3,103,249		2,384,355
Creditors: amounts falling due after more than one year	15		(71,584)		(66,356)
Net assets			<u>3,031,665</u>		<u>2,317,999</u>
The funds of the charity					
Restricted income funds	17	2,480,068		1,657,865	
Unrestricted funds		551,597		660,134	
		<u>3,031,665</u>		<u>2,317,999</u>	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 September 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the trustees on 16 March 2024

Trustee

Company registration number 00542449 (England and Wales)

FFESTINIOG RAILWAY SOCIETY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	21		1,604,483		384,569
Investing activities					
Investment income received		25,901		1,183	
Net cash generated from investing activities			25,901		1,183
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			1,630,384		385,752
Cash and cash equivalents at beginning of year			1,450,618		1,064,866
Cash and cash equivalents at end of year			3,081,002		1,450,618

FFESTINIOG RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies

Charity information

Ffestiniog Railway Society is a private company limited by guarantee incorporated in England and Wales. The registered office is Harbour Station, Porthmadog, Gwynedd, LL49 9NF.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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 Society 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. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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.

FFESTINIOG RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies

(Continued)

Subscription and Society membership income are recognised according to the above criteria with the exception of amounts received and deemed to be received in advance, which are deferred until the income recognition criteria are met:

- Annual membership relating to 3/12 of the membership income is deferred until the subsequent period.
- Advanced membership receipts are deferred and released in the period to which they relate.
- Diamond Jubilee Appeal income is received for a 5-year membership period and is deferred and apportioned accordingly.
- Life and associated life membership income is deferred and amortised over a 10-year period, which is commensurate to the policy adopted by other similar organisations.

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.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

In order for donations to meet this recognition criteria, agreements in principle to provide funding for proposed projects are not recognised until valid expense claims are made to the Society, discussed by its board and approved for release.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	20% per annum straight line.
Office equipment	20% per annum straight line.
Society films	20% per annum straight line.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

FFESTINIOG RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Taxation

The charity is exempt from corporation tax on its charitable activities.

1.11 Concessionary loans to the Festiniog Railway Company

As part of its response to the restrictions imposed due to the Coronavirus outbreak, the Society set forth a plan to support the Company through this unprecedented challenge. As part of this, a loan of £250,000 was made to the Company in April 2020, which was then followed by a further £150,000 at the beginning in July 2020.

Both these loans were treated as being repayable on demand and are interest free. Since their initial drawdown by the Company, repayments have been made either through the conversion of balances to notional donations for work carried out on certain projects, or through 'cash' repayments. There is a separate loan advanced to the Festiniog Railway Company of £27,000 to cover cashflow timing differences between projects being undertaken and funds being claimed from the Society.

In line with the provisions within the accounting standards, these loans are recognised initially at cost, with repayments or conversions to grants being recognised in the relevant periods.

1.12 Voluntary assistance

The charitable company has no employees and many of its members give freely of their time to carry out all of the activities of the company. These voluntary contributions are not included in the accounts.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

FFESTINIOG RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

3 Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	25,703	74,674	100,377	52,039	43,731	95,770
Legacies receivable	70,283	932,585	1,002,868	32,411	750,000	782,411
Gift Aid	26,730	14,641	41,371	65,823	6,658	72,481
	<u>122,716</u>	<u>1,021,900</u>	<u>1,144,616</u>	<u>150,273</u>	<u>800,389</u>	<u>950,662</u>

4 Income from charitable activities

	Charitable activities 2023 £	Charitable activities 2022 £
Subscription income	117,847	114,045
Hostel income	21,228	15,819
Magazine income	4,804	5,043
Sundry income	869	2,645
	<u>144,748</u>	<u>137,552</u>
Analysis by fund		
Unrestricted funds	<u>144,748</u>	<u>137,552</u>

5 Income from investments

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Interest receivable	<u>6,457</u>	<u>19,444</u>	<u>25,901</u>	<u>791</u>	<u>392</u>	<u>1,183</u>

FFESTINIOG RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

6 Expenditure on charitable activities

	Charitable activities 2023 £	Charitable activities 2022 £
Direct costs		
Donations to Ffestiniog Railway Company	506,725	256,782
Hostel expenses	50,279	55,750
Magazine productions costs	27,410	34,464
Registry expenses	2,205	3,552
Sundry expenses	3,231	4,196
Postage and printing costs	1,872	-
	<u>591,722</u>	<u>354,744</u>
Share of support and governance costs (see note 7)		
Support	2,377	2,937
Governance	7,500	6,960
	<u>601,599</u>	<u>364,641</u>
Analysis by fund		
Unrestricted funds	382,458	320,645
Restricted funds	219,141	43,996
	<u>601,599</u>	<u>364,641</u>

7 Support costs allocated to activities

	2023 £	2022 £
Finance costs	2,377	2,937
Governance costs	7,500	6,960
	<u>9,877</u>	<u>9,897</u>
Analysed between:		
Charitable activities	<u>9,877</u>	<u>9,897</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

FFESTINIOG RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

9 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Total	-	-

There were no employees whose annual remuneration was more than £60,000.

10 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

11 Tangible fixed assets

	Plant and equipment £	Office equipment £	Society films £	Total £
Cost				
At 1 October 2022	1,100	1,536	409	3,045
At 30 September 2023	1,100	1,536	409	3,045
Depreciation and impairment				
At 1 October 2022	1,099	1,535	408	3,042
At 30 September 2023	1,099	1,535	408	3,042
Carrying amount				
At 30 September 2023	1	1	1	3
At 30 September 2022	1	1	1	3

12 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 October 2022 & 30 September 2023	6
Carrying amount	
At 30 September 2023	6
At 30 September 2022	6

FFESTINIOG RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

12 Fixed asset investments

(Continued)

There were no investment assets outside the UK.

The above figures consist of:

a. The Festiniog Railway Company 100 5% preference shares of £10 each - at cost - £1

b. 5 ordinary shares of £1 each - at cost - £5

In the opinion of the trustees, the market value of the shares is similar to their cost.

13 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Gift aid debtors	34,706	77,633
Other debtors	58,135	1,001,703
	<u>92,841</u>	<u>1,079,336</u>

14 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Deferred income	16	41,109	45,586
Trade creditors		-	3,042
Other creditors		21,994	90,020
Accruals		7,500	6,960
		<u>70,603</u>	<u>145,608</u>

15 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Deferred income	16	<u>71,584</u>	<u>66,356</u>

16 Deferred income

	2023 £	2022 £
Arising from Subscriptions in Advance	<u>112,693</u>	<u>111,942</u>

Deferred income is included in the financial statements as follows:

FFESTINIOG RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

16 Deferred income	(Continued)	
	2023 £	2022 £
Deferred income is included within:		
Current liabilities	41,109	45,586
Non-current liabilities	71,584	66,356
	<u>112,693</u>	<u>111,942</u>
Movements in the year:		
Deferred income at 1 October 2022	111,942	102,417
Released from previous periods	(45,586)	(33,159)
Resources deferred in the year	46,337	42,684
	<u>112,693</u>	<u>111,942</u>
Deferred income at 30 September 2023		

FFESTINIOG RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

17 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 October 2022	Incoming resources	Resources expended	Transfers	At 30 September 2023
	£	£	£	£	£
Heritage Fund	7,139	476	-	-	7,615
Volunteer Hostels' Fund	1,554	13	-	-	1,567
Minffordd Station	3,356	557	-	-	3,913
Tan y Bwlch Station	28	807	-	-	835
Kids Week	6,895	122	-	-	7,017
Lineside Vehicle	25,513	6,902	-	-	32,414
Hugh Napier	1,455	29	-	-	1,485
England Locos	45,075	37,790	-	-	82,865
Linda	73,176	14,866	(45,481)	-	42,562
Mountaineer	37,773	13,732	-	-	51,505
Kerr Stuart diesel 4415	20,062	3,930	(13,265)	-	10,726
James Spooner	61,371	2,701	-	-	64,072
Vintage Carriages	78,385	739	-	-	79,124
Stations	750,000	510,266	(15,247)	-	1,245,019
LAG drains	1,852	17	(566)	-	1,304
Archives	8,497	769	-	-	9,266
Waggon Tracks	942	243	-	-	1,185
Permanent way	136,560	1,905	-	-	138,465
Heritage Buildings	354,705	10,981	(9,425)	-	356,261
Infrastructure	-	432,585	(110,998)	-	321,588
Health & Safety and Others	43,527	1,913	(24,159)	-	21,281
	<u>1,657,865</u>	<u>1,041,344</u>	<u>(219,141)</u>	<u>-</u>	<u>2,480,068</u>

FFESTINIOG RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

17 Restricted funds

(Continued)

Previous year:	At 1 October 2021	Incoming resources	Resources expended	Transfers	At 30 September 2022
	£	£	£	£	£
Heritage Fund	7,000	86	-	53	7,139
Volunteer Hostels' Fund	1,553	1	-	-	1,554
Minffordd Station	3,212	274	(73)	(57)	3,356
Tan y Bwlch Station	2,193	1,283	(1,965)	(1,483)	28
Kids Week	9,885	405	(3,445)	50	6,895
Lineside Vehicle	24,997	516	-	-	25,513
Hugh Napier	765	451	-	239	1,455
England Locos	22,770	19,839	-	2,466	45,075
Linda	89,542	513	(20,120)	3,241	73,176
Mountaineer	17,944	17,135	-	2,694	37,773
Kerr Stuart diesel 4415	29,718	2,392	(12,638)	590	20,062
James Spooner	57,652	2,879	-	840	61,371
Vintage Carriages	82,040	52	(3,707)	-	78,385
Stations	-	750,000	-	-	750,000
LAG drains	4,200	2	(1,826)	(524)	1,852
Archives	7,539	693	-	265	8,497
Waggon Tracks	941	1	-	-	942
Permanent way	135,224	1,335	-	1	136,560
Heritage Buildings	354,213	486	-	6	354,705
Health & Safety and Others	39,077	2,438	(222)	2,234	43,527
	<u>890,465</u>	<u>800,781</u>	<u>(43,996)</u>	<u>10,615</u>	<u>1,657,865</u>

18 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 October 2022	Incoming resources	Resources expended	Transfers	At 30 September 2023
	£	£	£	£	£
General funds	<u>660,134</u>	<u>273,921</u>	<u>(382,458)</u>	<u>-</u>	<u>551,597</u>
Previous year:	At 1 October 2021	Incoming resources	Resources expended	Transfers	At 30 September 2022
	£	£	£	£	£
General funds	<u>702,778</u>	<u>288,616</u>	<u>(320,645)</u>	<u>(10,615)</u>	<u>660,134</u>

FFESTINIOG RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

19 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 30 September 2023 are represented by:			
Tangible assets	3	-	3
Investments	6	-	6
Current assets/(liabilities)	623,172	2,480,068	3,103,240
Long term liabilities	(71,584)	-	(71,584)
	<u>551,597</u>	<u>2,480,068</u>	<u>3,031,665</u>
	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 30 September 2022 are represented by:			
Tangible assets	3	-	3
Investments	6	-	6
Current assets/(liabilities)	726,481	1,657,865	2,384,346
Long term liabilities	(66,356)	-	(66,356)
	<u>660,134</u>	<u>1,657,865</u>	<u>2,317,999</u>

20 Related party transactions

As stated in the principal activities section of the trustees' report, the purpose of the company is to support the restoration of the Ffestiniog Railway. For many years, there has been an arrangement whereby the company nominated one director onto the board of The Festiniog Railway Company and that company nominated a person to sit on the board of this company. At the start of the year, Sam Miller was the Society nominee. From the 15th June 2023, Sam Miller stood down and was replaced by Graham Cole. Neither Sam Miller or Graham Cole received any benefit from the Society during the year.

During the year, the Ffestiniog Railway Society made donations totalling £506,725 (2022: £256,782) to The Festiniog Railway Company. The makeup of which being made up of current year donations amounting to £414,921 (2022: £205,793), a conversion of the COVID support loan of £91,804 (2022: £nil) and year end accruals amounting to £nil (2022: £50,989).

The Society also had transactions with related groups and the FR Co during the year, and at the year end the Festiniog Railway Company amount owed to the Society stood at £27,000 (2022: £118,804), with this amount being included within debtors on the balance sheet. The Society also retained funds on behalf of the Dee & Mersey and FR Heritage groups, with the total held within creditors amounting to £21,994 (2022: £21,962).

FFESTINIOG RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

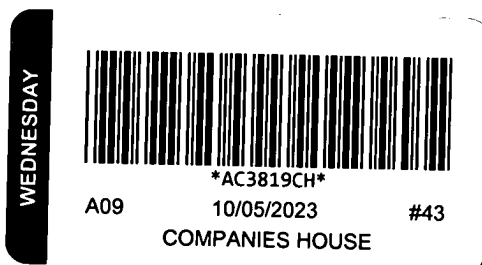
21	Cash generated from operations	2023 £	2022 £
	Surplus for the year	713,666	724,756
	Adjustments for:		
	Investment income recognised in statement of financial activities	(25,901)	(1,183)
	Movements in working capital:		
	Decrease/(increase) in debtors	986,495	(394,730)
	(Decrease)/increase in creditors	(70,528)	55,726
	Increase in deferred income	751	9,525
	Cash generated from operations	<u>1,604,483</u>	<u>394,094</u>

22 Analysis of changes in net funds

The charity had no material debt during the year.

Accounts

Report of the Trustees and
Financial Statements for the Year Ended 30 September 2022
for
Ffestiniog Railway Society



Dunn & Ellis Cyf
Chartered Accountants/Statutory Auditors
Chartered Accountants
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for the Year Ended 30 September 2022

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Report of the Trustees
for the Year Ended 30 September 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 September 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Introduction

Train services continued to operate as largely pre-booked experiences during the year with the Ffestiniog Railway offering Woodland Wanderer services to Tanybwllch and Mountain Spirit services to Blaenau Ffestiniog. 'Hop-on, hop-off' facilities to intermediate stations were introduced on the Mountain Spirit services later in the year, initially to Society members and later to the general public.

The Society has been pleased to have worked with the Company during the year to assist with the implementation of the National Lottery Heritage Fund Boston Lodge Interpretation and Development project (the NLHF project) - the match funding for which has been provided in equal amounts by the Society and the Ffestiniog and Welsh Highland Railways Trust. The Society's chairman has been a member of the Project Board during this period. Excellent progress has been made with the interpretation part of the project and the results of the outreach effort have exceeded expectations.

The capital works element of the project suffered what could have been a major difficulty when the tenders for the two physical work packages at Boston Lodge were returned at much higher values than expected. This was caused by the unprecedented levels of inflation within the construction industry that had been created by shortages following the start of the war in Ukraine. Following some important value engineering by the construction team, and the offer of further financial support from both the Trust and Society, the NLHF agreed to increase its grant to cover the additional costs. Physical work has now started on site. The Society Board formally signed off its largest ever single grant to support this project in early 2023. This level of support was only possible due to the generosity of Society members for which the Directors are very grateful.

The Society was able to hold a 'face-to-face' Annual General Meeting for the first time in three years at its 2022 event. This was supported by a growing number of activities over that weekend designed to give members better access to operations and developments around the Ffestiniog Railway.

The Society has commenced work on a new Development Strategy which is intended to support the Company's new business plan, 'The Regenerative Railway'. It is intended that this new document will be published during 2023.

The Society has been pleased to have been able to help support the Festiniog Railway Company throughout what has been another challenging year. Volunteers and members of the Society have been able to assist in delivering an outturn which is very encouraging given the difficult times that we are still experiencing. The directors have been pleased to engage in collaborative discussions with the Company and look forward to being able to continue this approach in 2023.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal objective and aim of the Charity in the year under review was to advance the education of the public through the conservation of the Ffestiniog Railway. In practical terms, the activities of the charitable company in furtherance of its objectives are to support the Festiniog Railway Company in its preservation and operation of the Ffestiniog Railway.

Public benefit

The trustees confirm that they have complied with their duties as set out in Section 17(5) of the 2011 Charities Act to have due regard to the public benefit guidance published by the Charity Commission.

Report of the Trustees
for the Year Ended 30 September 2022

OBJECTIVES AND ACTIVITIES

Volunteering

Volunteering returned to what might be described as a 'new normal' during the year. The regular groups, including Minibash, Megabash, Gigabash, Young Volunteers Training Week, Electrical Working Party and many others, returned to action although, in most cases, with smaller numbers involved. Individual volunteers supported the Operations and Locomotive departments with a very credible number of locomotive turns being covered by volunteers. Some difficulties occurred in resourcing sufficient volunteers within the Operations department. Approximately 50% of the total staff time during 2022 was covered by volunteers which is worth a very significant amount of money to the Company. The appointment of an engineering volunteers manager as part of the NLHF project should help to reinvigorate and expand the volunteer contribution to the Company.

FINANCIAL REVIEW

Financial position

The financial year 2022 saw a marked increase in the income due to the Society compared to prior years. This is primarily due to an advance on a large legacy being accrued for in the year. For 2022 we saw £23,243 in legacies being received, with the balance being recorded as yearend debtors. As a comparison some £315,285 was shown as income in the year before. This is the single reason that has enabled the Society to confidently support the major NLHF project at Boston Lodge whilst also enabling the Society to continue to support other projects.

Donations are much reduced in 2022, reflecting the success of the Linda appeal in 2021 which raised £90,000 in a remarkably short length of time. The separate appeal to support the NLHF project was launched halfway through the financial year but, to date, has not been so successful meaning that the overall donations profile is lower. Despite this, general fund donations have been more prevalent in 2022.

Subscriptions income saw an increase due to the recent change in the level of subscriptions, despite the small decrease in members.

The spend profile for the Society remained fairly consistent across the spectrum. As in previous years, the most significant costs are the grants made to the Festiniog Railway Company to support projects. The largest individual contribution was £100,000 (out of a total £118,000) to support the bulk purchase of plastic sleepers at an advantageous price, which should facilitate railway relaying projects for many years to come. Major projects included: £42,429 as the NLHF project commences in earnest; £28,496 to commence the renovation of Penrhyn Station building; £13,112 to purchase handheld tampers to increase the effectiveness of staff and volunteers on Permanent Way work and £11,334 supporting Rhiw Goch electrical work to improve reliability and longevity. Other major projects supported during the year included the commencement of Linda's overhaul (£20,120) and the continuation of the restoration of the Kerr Stuart 4415 diesel locomotive (£12,638).

Report of the Trustees
for the Year Ended 30 September 2022

FINANCIAL REVIEW

Financial Review

Financial position

The excess income over expenditure for the year amounted to £724,756 (2021: excess income over expenditure of £271,349) and there were no transfers between the reserves in the year (2021: NIL). Details of direct charitable expenditure can be found in the Statement of Financial Activities.

The Society's total fund balance at the end of 2022 was £2,317,999 (2021: £1,593,243).

Principal funding sources

Hostels

The Society has been pleased to be able to continue to support the management and operation of the hostels at Minffordd and Penrhyn which are so important to supporting volunteer involvement. The restrictions over the last two years meant that bed nights have been much reduced, but these have now returned to something close to previous numbers. The Board determined not to increase fees for 2022/23 to further support the increase in volunteer numbers. This is a policy that has received much appreciation from both the Company and individual volunteers.

Hostel income recovered somewhat in 2022 vs the heavy COVID years of 2020 and 2021. Overall income remains less primarily due to the restricted occupancy over the winter and slower build up to regular usage as COVID fears subsided and full capacity was regained.

Hostel costs were higher than comparable periods, with this primarily being due to the timing costs incurred, which resulted in a higher cost during the 2022 period.

Membership

Numbers and recognition

As in previous years, the majority of the Society's income came from the continued support of its much-valued members. The classification and breakdown of fee-paying memberships are as follows:

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Full members	717	820
Senior citizens	1,548	1,552
Associate	161	171
Senior citizens associate	352	372
Family main	106	103
Family - spouse / partner	104	103
Family - child	180	177
Juniors	16	23
Volunteer students	27	31
Life	1,260	1,266
Covenanted life	60	70
Senior citizen life	114	109
Associate life	179	175
Honorary life members	6	6
Total membership	<u>4,830</u>	<u>4,978</u>

Report of the Trustees
for the Year Ended 30 September 2022

FINANCIAL REVIEW

The Society's membership year runs from the 1st January to the end of December, which differs from its accounting year by three months. As a result, the Society accrues a proportion of its annual membership income so as to carry it over to the relevant accounting period.

The Society is also aware that some members have prepaid their membership by a varying number of years, and again, these identified amounts are carried over to the relevant accounting periods. The same approach is also undertaken for Diamond Jubilee Appeal donors who are provided with Society membership.

Life and associated life membership fees represent one off contributions by these members for continued lifelong membership. In order that the Society's continuing obligations to these members is adequately reflected in its financial statements, life membership income received is accrued and written off over a 10 year period, which is considered by the Trustees to produce a reasonable approximation of expected accrued benefit and matches the approach undertaken by two similar organisations.

Report on the membership numbers

Whilst it is disappointing to report that membership dipped further below 5,000 at year-end (with 4,830 members compared with 5,205 at the end of 2020) this is still a respectable position given the challenges presented by the pandemic and the resultant inflationary hit.

Fundraising

At the beginning of 2022, Virgin Finance closed their Virgin Giving scheme for online donations and other payments. This enabled a transition to the Charities Aid Foundation which allows campaigns to be set up and provides a user-friendly experience when donating using mobile phones. This also allows QR codes to be readily printed onto fundraising leaflets.

The major appeal during the year has been to support the NLHF project which raised over £30,000, including Gift Aid, to date.

The Mountaineer fund has doubled in the year and sits with a yearend balance of just under £38,000 - this has enabled the team to begin planning the restoration and subsequent return to traffic. The majority of the income is coming from individual supporters donating a standard amount of £12.65 which reflects the locomotive's works number - 1265. The success of this funding mechanism to date gives an indication of the breadth of support for this locomotive and, more widely, the greater interest in locomotive restoration compared with infrastructure projects. Additional fundraising includes proceeds from merchandise sales and from the 'guess the time of towing Mountaineer across the Cob' event, held over August Bank holiday.

The England fund is now focused on raising monies to returning Prince to traffic. With the launch of the on train envelopes for Prince in the Spring, this raised £19,839 including Gift Aid - the daily management of this activity by Peter Wilkinson makes this an extremely effective source of fundraising. At the end of the season, we were also able to add the QR codes to the envelopes to allow those not carrying cash to easily make donations online from the comfort of their carriage whilst on the move.

Investment policy and objectives

The Society has adopted a conservative investment plan, which ensures all surplus funds are invested in an interest-bearing account with NatWest bank. This low-risk approach involves regular re-balancing of investments between current and reserve accounts. However, the convenience of having all funds in one place, does come with the risk that only the first £85,000 will be covered by the FCA guarantee. With a view to minimising this risk, the Trustees are currently considering alternative investment plans.

Interest earned is allocated monthly across all funds in line with the balances in those funds at the beginning of the month.

Report of the Trustees
for the Year Ended 30 September 2022

FINANCIAL REVIEW

Reserves policy

The Society's policy is to maintain an adequate reserve so as to enable it to discharge its charitable objectives and meet its ongoing day to day requirements. This being the case, the trustees consider that twelve months of general fund expenditure is an appropriate level of reserve to meet the day-to-day running costs of the charity including maintaining production of the in-house magazine and support for the running of the volunteer hostels, with this amounting to a sum of £65,000.

The main need of course is to hold sufficient reserves for its core objective of supporting the Ffestiniog Railway, which includes collecting unrestricted, designated, and restricted funds for a number of projects, administering and collecting moneys from the annual appeals as well as raising and maintaining sufficient general funds to meet its obligations for committed charitable objects. As at the end of 2022 the Society's main funds stood at:

Restricted funds: £1,657,865 (2021: £890,465)

The restricted funds held by the charity are only available for use on specific projects which are taken forward as resources become available to the Festiniog Railway Company. A detailed analysis of these projects is disclosed in note 16 of the financial statements.

General funds: £660,134 (2021: £702,778)

The Society's 'free' reserve for the year being a surplus of £660,125 (2021: a surplus of £702,769).

Although at first glance the uncommitted fund balance appears large, the difference is earmarked for a programme of grant applications from the Festiniog Railway Company over a four-year period that meet the objectives of the charity. In particular, a £475,000 sum has been committed to support the National Lottery Heritage Fund Interpretation and Boston Lodge Works project of this some £42,429 was paid over in the year.

EVENTS SINCE THE YEAR END AND FUTURE PLANS

As mentioned above the Society committed £475,000 of its funds as match-funding for the National Lottery Heritage Fund Interpretation and Boston Lodge Works Project over a three-year period commencing in April 2022, a small contribution, towards the initial cost, was made in the year, and post year end, due to the inflationary impacts on the project, a further £93,900 has since been contributed.

With regard to legacies, kindly left to the Society my members, associates and others, perhaps unconnected until now, the trustees are aware of a number of substantial bequests being left to the Society. However, due to the uncertainties surrounding the valuation and timing of such receipts, no provision for these have been made in the financial statements.

No other post balance sheet events that require reporting or disclosing in the accounts have occurred since 30 September 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a memorandum and articles of association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Induction and training of new trustees

As part of their induction, new Board members are made aware of their responsibilities as board members. The induction includes an introduction to the objectives, scope, and policies of the charitable funds. Charity Commission information on trustee responsibility and copies of the previous year's annual report and accounts are provided.

Report of the Trustees
for the Year Ended 30 September 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Relationship with third parties

At the year end the Society holds five ordinary shares and one preference share in the Festiniog Railway Company, which have all been bequeathed to the Society. This constitutes a minority share and does not give any control to the Society. The Society makes grants to the Festiniog Railway Company as part of the pursuance of the main activities of the Society.

The Society also has the right to nominate to the Ffestiniog Railway Trustees for appointment one place on the Board of the Festiniog Railway Company as part of a reciprocal arrangement.

The Society interacts with area and functional groups, which have the common aims of supporting the Ffestiniog Railway.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Related party and key management personnel

The trustees consider the only key management personnel of the charity to be the board of trustees, who are in charge of directing, controlling, running and operating the charity on a day-to-day basis. Details of the trustees' remuneration, expenses and related party transactions are disclosed in a note to the accounts.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

00542449 (England and Wales)

Registered Charity number

1064178

Registered office

Harbour Station
Porthmadog
Gwynedd
LL49 9NF

Trustees

Mr G Cole	
Mr G P Bond	
Mr P J Hawkins	
Mr D R Jones	
Mr S G Miller	
Mr N C Smith	
Mr M N Wolstenholme	(resigned 30.4.22)
Dr A F Tucker	
Mr L G Graham-Taylor	
Mrs C M Knowles	(appointed 30.4.22)
Mr C M Tucker	(appointed 30.4.22)

Vice-Presidents

Rev Dr R F Buxton
Mr A Heywood
Mr T N Oulton
Mr A J Savage
Mr H Wilson

Company Secretaries

Mr J E Fenner – Society secretary
Mr S Charters – Deputy secretary (appointed 13.4.22)

Report of the Trustees
for the Year Ended 30 September 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Accountants & Auditors

Dunn & Ellis Cyf
Chartered Accountants/Statutory Auditors
Adeilad St David's Building
Stryd Lombard Street
Porthmadog
Gwynedd
LL49 9AP

Bankers

National Westminster Bank plc
2nd Floor
Bryn Eirias
Abergele Road
Colwyn Bay
LL29 8BY

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

Report of the Trustees
for the Year Ended 30 September 2022

AUDITORS

The auditors, Dunn & Ellis Cyf, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on *24th March 2023* and signed on its behalf by:

.....
Mr G Cole - Trustee

Report of the Independent Auditors to the Members of
Ffestiniog Railway Society (Registered number: 00542449)

Opinion

We have audited the financial statements of Ffestiniog Railway Society (the 'charitable company') for the year ended 30 September 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2022 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The 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 Report of the Independent Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Ffestiniog Railway Society (Registered number: 00542449)

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 Report of the Trustees.

We have nothing to report in respect of the following matters where 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 take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

Identifying and assessing potential risks:

- the nature of the industry and sector, control environment and business performance.
- results of our enquiries of management, and those charged with governance about their own identification and assessment of the risks of irregularities.
- any matters we identified having obtained and reviewed the charitable company's information of its policies and procedures relating to:
 - identifying, evaluating, and complying with laws and regulations and whether it was aware of any instances of non-compliance.
 - detecting and responding to the risks of fraud and whether it had knowledge of any actual, suspected, or alleged fraud.
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
 - any matters discussed among the audit engagement team including, if relevant, external specialists, any tax or other valuations of note etc.

**Report of the Independent Auditors to the Members of
Ffestiniog Railway Society (Registered number: 00542449)**

As a result of these procedures, we considered the opportunities and incentives that may exist within the charitable company for fraud and identified the greatest potential for fraud to be in relation to revenue recognition, with specific procedures being performed here. Additionally, and in common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006, UK GAAP and any other laws and regulations that although might not have a direct effect on the financial statements, compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements.
- enquiring of management and those charged with governance concerning actual and potential litigation and claims.
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- reading the minutes of meetings of those charged with governance and enquire about any correspondence or issues raised with relevant regulatory bodies.
- obtained an understanding of, through discussions with management, the basis of recognising income; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

Report of the Independent Auditors to the Members of
Ffestiniog Railway Society (Registered number: 00542449)

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 auditors' 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.

G L Jones

Gareth Lloyd Jones ACA FCCA DChA
(Senior Statutory Auditor)

for and on behalf of

Dunn & Ellis Cyf
Statutory Auditors
Adeilad St David's Building
Stryd Lombard Street
Porthmadog
Gwynedd
LL49 9AP

Date: 24 March 2023

Ffestiniog Railway Society**Statement of Financial Activities****(Incorporating an Income and Expenditure Account)**
for the Year Ended 30 September 2022

	Notes	Unrestricted fund £	Restricted funds £	30.9.22 Total funds £	30.9.21 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations, legacies & gift aid	3	150,273	800,389	950,662	521,615
Charitable activities	6				
Hostel income		15,819	-	15,819	9,306
Subscriptions		114,045	-	114,045	100,394
Raising charitable funds	4	7,688	-	7,688	2,428
Investment income	5	791	392	1,183	1,514
Total		288,616	800,781	1,089,397	635,257
EXPENDITURE ON					
Raising charitable funds	7	42,212	-	42,212	40,668
Charitable activities	8				
Hostel expenses		55,750	-	55,750	39,084
Donations to the FR Company		212,786	43,996	256,782	274,890
Governance and support		9,897	-	9,897	9,266
Total		320,645	43,996	364,641	363,908
NET INCOME/(EXPENDITURE)		(32,029)	756,785	724,756	271,349
Transfers between funds	17	(10,615)	10,615	-	-
Net movement in funds		(42,644)	767,400	724,756	271,349
RECONCILIATION OF FUNDS					
Total funds brought forward		702,778	890,465	1,593,243	1,321,894
TOTAL FUNDS CARRIED FORWARD		660,134	1,657,865	2,317,999	1,593,243

The notes form part of these financial statements

Ffestiniog Railway Society (Registered number: 00542449)

Balance Sheet

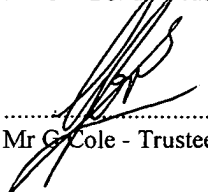
30 September 2022

	Notes	Unrestricted fund £	Restricted funds £	30.9.22 Total funds £	30.9.21 Total funds £
FIXED ASSETS					
Tangible assets	12	3	-	3	3
Investments	13	<u>6</u>	<u>-</u>	<u>6</u>	<u>6</u>
		9	-	9	9
CURRENT ASSETS					
Debtors	14	222,943	856,393	1,079,336	684,606
Cash at bank		<u>641,618</u>	<u>809,000</u>	<u>1,450,618</u>	<u>1,064,866</u>
		864,561	1,665,393	2,529,954	1,749,472
CREDITORS					
Amounts falling due within one year	15	<u>(138,080)</u>	<u>(7,528)</u>	<u>(145,608)</u>	<u>(86,980)</u>
NET CURRENT ASSETS		<u>726,481</u>	<u>1,657,865</u>	<u>2,384,346</u>	<u>1,662,492</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		726,490	1,657,865	2,384,355	1,662,501
CREDITORS					
Amounts falling due after more than one year	16	<u>(66,356)</u>	<u>-</u>	<u>(66,356)</u>	<u>(69,258)</u>
NET ASSETS		<u>660,134</u>	<u>1,657,865</u>	<u>2,317,999</u>	<u>1,593,243</u>
FUNDS	17				
Unrestricted funds				660,134	702,778
Restricted funds				<u>1,657,865</u>	<u>890,465</u>
TOTAL FUNDS				<u>2,317,999</u>	<u>1,593,243</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 24th Nov 2022 and were signed on its behalf by:


.....
Mr G P Bond - Trustee


.....
Mr G Cole - Trustee

The notes form part of these financial statements

Ffestiniog Railway Society

Cash Flow Statement
for the Year Ended 30 September 2022

	Notes	30.9.22 £	30.9.21 £
Cash flows from operating activities			
Cash generated from operations	1	<u>384,569</u>	<u>391,593</u>
Net cash provided by operating activities		<u>384,569</u>	<u>391,593</u>
 Cash flows from investing activities			
Interest received		<u>1,183</u>	<u>1,514</u>
Net cash provided by investing activities		<u>1,183</u>	<u>1,514</u>
Change in cash and cash equivalents in the reporting period		385,752	393,107
Cash and cash equivalents at the beginning of the reporting period		<u>1,064,866</u>	<u>671,759</u>
 Cash and cash equivalents at the end of the reporting period		<u><u>1,450,618</u></u>	<u><u>1,064,866</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 30 September 2022

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	30.9.22	30.9.21
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	724,756	271,349
Adjustments for:		
Interest received	(1,183)	(1,514)
(Increase)/decrease in debtors	(394,730)	137,932
Increase/(decrease) in creditors	<u>55,726</u>	<u>(16,174)</u>
Net cash provided by operations	<u><u>384,569</u></u>	<u><u>391,593</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.10.21	Cash flow	At 30.9.22
	£	£	£
Net cash			
Cash at bank	<u>1,064,866</u>	<u>385,752</u>	<u>1,450,618</u>
	<u>1,064,866</u>	<u>385,752</u>	<u>1,450,618</u>
Total	<u><u>1,064,866</u></u>	<u><u>385,752</u></u>	<u><u>1,450,618</u></u>

Notes to the Financial Statements
for the Year Ended 30 September 2022

1. STATUTORY INFORMATION

Ffestiniog Railway Society is a limited company, limited by guarantee as defined by the Companies Act 2006 and is registered in England and Wales. The company is also registered as a charity with the Charity Commission. The company's registered numbers and registered office address can be found under the "Reference and administrative details" section of the Report of the Trustees.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Income

Incoming resources

All incoming resources are included on the Statement of Financial Activities when it is probable that the income will be received, and the amount can be measured reliably. This is in keeping with the requirements of the abovementioned accounting standards. The Society has thus developed the following policy for recognising incoming resources:

- a. it has entitlement,
- b. it is probable the amounts will be received, and
- c. when the amount can be reliably measured.

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 Society 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. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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.

Donations are generally recorded upon receipt.

Subscription and Society membership income are recognised according to the above criteria with the exception of amounts received and deemed to be received in advance, which are deferred until the income recognition criteria are met:

- Annual membership relating to three twelfth of the membership income is deferred until the subsequent period.
- Advanced membership receipts are deferred and released in the period to which they relate.
- Diamond Jubilee Appeal income is received for a 5-year membership period and is deferred and apportioned accordingly.
- Life and associated life membership income is deferred and amortised of a deemed 10-year period, which is commensurate to the policy adopted by to other similar organisations.

2. ACCOUNTING POLICIES - continued

Expenditure

Resources expended, including primary purpose donations

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 a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

In order for donations to meet this recognition criteria, agreements in principle to provide funding for proposed projects are not recognised until valid expense claims are made to the Society, discussed by its board and approved for release.

Tangible fixed assets

Tangible fixed asset additions are capitalised if they cost more than £1,000 and can be used for more than one year. Qualifying assets are initially recognised at their cost price and are subsequently recorded at cost, less accumulated depreciation and less amounts recognised in respect of impairment.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

- Plant and machinery is depreciated over 5 years on a straight line basis.
- No depreciation has been charged in these accounts in respect of office equipment and Society Films, which have been depreciated in previous years to their nominal residual value.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Concessionary loans to the Festiniog Railway Company

As part of its response to the restrictions imposed due to the Coronavirus outbreak, the Society set forth a plan to support the Company through this unprecedented challenge. As part of this a loan of £250,000 was made to the Company in April 2020, which was then followed by a further £150,000 at the beginning in July 2020.

Both these loans were treated as being repayable on demand and are interest free. Since their initial drawdown by the Company, repayment have been made, either through the conversion of balances to notional donations for work carried out on certain projects, or through 'cash' repayments. As at the end of September 2022 the balance on these stood at £118,804.

In line with the provisions within the accounting standards, these loans are recognised initially at cost, with repayments or conversions to grants being recognised in the relevant periods.

Voluntary assistance

The charitable company has no employees and many of its members give freely of their time to carry out all of the activities of the company. These voluntary contributions are not included in the accounts.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2022

3. DONATIONS, LEGACIES & GIFT AID

	30.9.22	30.9.21
	£	£
Donations	95,770	167,530
Gift aid	39,069	38,800
Legacies	815,823	315,285
	<u>950,662</u>	<u>521,615</u>

4. RAISING CHARITABLE FUNDS

	30.9.22	30.9.21
	£	£
Magazine income	5,043	2,308
Sundry income	2,645	120
	<u>7,688</u>	<u>2,428</u>

5. INVESTMENT INCOME

	30.9.22	30.9.21
	£	£
Deposit account interest	1,183	1,514

6. INCOME FROM CHARITABLE ACTIVITIES

	30.9.22	30.9.21
	£	£
Hostel income	15,819	9,306
Adult subscriptions	85,388	73,516
Family & associate membership	11,613	10,221
Student & junior membership	954	880
Life membership	16,090	15,777
	<u>129,864</u>	<u>109,700</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2022

7. RAISING CHARITABLE FUNDS

Administrative expenses

	30.9.22	30.9.21
	£	£
Magazine	34,464	34,961
Registry expenses	3,552	2,420
Sundries	<u>4,196</u>	<u>3,287</u>
	<u>42,212</u>	<u>40,668</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs £
Hostel expenses	55,750
Donations to the FR Company	<u>256,782</u>
	<u>312,532</u>

9. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Other resources expended	<u>2,937</u>	<u>6,960</u>	<u>9,897</u>

10. AUDITORS' REMUNERATION

	30.9.22 £	30.9.21 £
Fees payable to the charity's auditors for the audit of the charity's financial statements	3,880	3,530
Accountancy costs	<u>3,080</u>	<u>2,935</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 September 2022 nor for the year ended 30 September 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 September 2022 nor for the year ended 30 September 2021.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2022

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES – 2021 SoFA

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations, legacies & gift aid	341,611	180,004	521,615
Charitable activities			
Hostel income	9,306	-	9,306
Subscriptions	100,394	-	100,394
Raising charitable funds	2,428	-	2,428
Investment income	1,479	35	1,514
Total	455,218	180,039	635,257
EXPENDITURE ON			
Raising charitable funds	40,668	-	40,668
Charitable activities			
Hostel expenses	39,084	-	39,084
Donations to the FR Company	233,403	41,487	274,890
Governance and support	9,266	-	9,266
Total	322,421	41,487	363,908
NET INCOME	132,797	138,552	271,349
RECONCILIATION OF FUNDS			
Total funds brought forward	569,982	751,912	1,321,894
TOTAL FUNDS CARRIED FORWARD	702,779	890,464	1,593,243

13. TANGIBLE FIXED ASSETS

	Plant and machinery £	Office equipment £	Society films £	Totals £
COST				
At 1 October 2021 and 30 September 2022	<u>1,100</u>	<u>1,536</u>	<u>409</u>	<u>3,045</u>
DEPRECIATION				
At 1 October 2021 and 30 September 2022	<u>1,099</u>	<u>1,535</u>	<u>408</u>	<u>3,042</u>
NET BOOK VALUE				
At 30 September 2022	<u>1</u>	<u>1</u>	<u>1</u>	<u>3</u>
At 30 September 2021	<u>1</u>	<u>1</u>	<u>1</u>	<u>3</u>

The net book value at 30 September 2022 represents fixed assets used for the management and administration of the charity.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2022

14. FIXED ASSET INVESTMENTS

	Fixed asset investments £
MARKET VALUE	
At 1 October 2021 and 30 September 2022	<u>6</u>
NET BOOK VALUE	
At 30 September 2022	<u>6</u>
At 30 September 2021	<u>6</u>

There were no investment assets outside the UK.

The above figures consist of:

- a. The Festiniog Railway Company 100 5% preference shares of £10 each - at cost - £1
- b. 5 ordinary shares of £1 each - at cost - £5

In the opinion of the trustees, the market value of the shares is similar to their cost.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.22 £	30.9.21 £
Gift aid debtor	77,633	72,492
Festiniog Railway Company loan	118,804	243,804
Legacies	880,491	366,082
VAT	<u>2,408</u>	<u>2,228</u>
	<u>1,079,336</u>	<u>684,606</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.22 £	30.9.21 £
Trade creditors	3,042	8,598
Accrued FR Company donations	68,058	16,809
Dee & Mersey group	7,900	7,900
FR heritage group	14,062	14,049
Subscriptions and donations received in advance	45,586	33,159
Accrued expenses	<u>6,960</u>	<u>6,465</u>
	<u>145,608</u>	<u>86,980</u>

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2022**

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30.9.22	30.9.21
	£	£
Subscriptions and donations received in advance	<u>66,356</u>	<u>69,258</u>

18. MOVEMENT IN FUNDS

	At 1.10.21 £	Net movement in funds £	Transfers between funds £	At 30.9.22 £
Unrestricted funds				
General fund	702,778	(32,029)	(10,615)	660,134
Restricted funds				
Heritage fund	7,000	86	53	7,139
Volunteer hostel fund	1,553	1	-	1,554
Minffordd Station	3,212	201	127	3,540
Tan y Bwlch Station	2,193	(682)	(1,660)	(149)
Kids Training Week	9,885	(3,040)	50	6,895
Lineside vehicle	24,997	516	-	25,513
Linda	89,542	(19,607)	3,240	73,175
England Locos	22,770	19,839	2,466	45,075
Lilla maintenance	180	-	-	180
Mountaineer	17,944	17,135	2,694	37,773
Kerr Stuart diesel 4415	29,718	(10,246)	590	20,062
James Spooner	57,652	2,879	840	61,371
Bug Boxes	82,040	(3,655)	-	78,385
First class interior	524	1	-	525
LAG drains	4,200	(1,824)	(523)	1,853
Archives	7,539	693	265	8,497
Waggon tracks	941	1	-	942
Permanent way	135,224	1,335	-	136,559
Health, safety and others	2,004	2	-	2,006
Ashover	12,032	8	-	12,040
Earl of Merioneth	276	-	-	276
Rhiw Goch signal box	222	(221)	-	1
Volunteer tools	143	-	-	143
Blaenau Ffestiniog Station	519	1,445	250	2,214
Hugh Napier	765	451	239	1,455
Heritage Buildings	354,213	486	-	354,699
Covid-19	23,177	981	1,984	26,142
Stations	-	750,000	-	750,000
	<u>890,465</u>	<u>756,785</u>	<u>10,615</u>	<u>1,657,865</u>
TOTAL FUNDS	<u>1,593,243</u>	<u>724,756</u>	<u>-</u>	<u>2,317,999</u>

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2022****18. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	288,616	(320,645)	(32,029)
Restricted funds			
Heritage fund	86	-	86
Volunteer hostel fund	1	-	1
Minffordd Station	274	(73)	201
Tan y Bwlch Station	1,283	(1,965)	(682)
Kids Training Week	405	(3,445)	(3,040)
Lineside vehicle	516	-	516
Linda	513	(20,120)	(19,607)
England Locos	19,839	-	19,839
Mountaineer	17,135	-	17,135
Kerr Stuart diesel 4415	2,392	(12,638)	(10,246)
James Spooner	2,879	-	2,879
Bug Boxes	52	(3,707)	(3,655)
First class interior	1	-	1
LAG drains	2	(1,826)	(1,824)
Archives	693	-	693
Waggon tracks	1	-	1
Permanent way	1,335	-	1,335
Health, safety and others	2	-	2
Ashover	8	-	8
Rhiw Goch signal box	1	(222)	(221)
Blaenau Ffestiniog Station	1,445	-	1,445
Hugh Napier	451	-	451
Heritage Buildings	486	-	486
Covid-19	981	-	981
Stations	750,000	-	750,000
	<u>800,781</u>	<u>(43,996)</u>	<u>756,785</u>
TOTAL FUNDS	<u>1,089,397</u>	<u>(364,641)</u>	<u>724,756</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2022

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.10.20 £	Net movement in funds £	Transfers between funds £	At 30.9.21 £
Unrestricted funds				
General fund	569,982	132,796	-	702,778
Restricted funds				
Heritage fund	6,546	454	-	7,000
Volunteer hostel fund	1,553	-	-	1,553
Minffordd Station	2,707	505	1	3,213
Tan y Bwlch Station	3,046	(853)	-	2,193
Kids Training Week	9,885	-	-	9,885
Lineside vehicle	12,812	12,185	-	24,997
Linda	2,099	87,443	-	89,542
England Locos	22,492	278	-	22,770
Lilla maintenance	1,163	(983)	-	180
Mountaineer	4,422	13,522	-	17,944
Kerr Stuart diesel 4415	10,940	18,778	(1)	29,717
James Spooner	54,419	3,233	-	57,652
Bug Boxes	92,521	(10,481)	-	82,040
First class interior	525	(1)	-	524
LAG drains	4,611	(411)	-	4,200
Archives	7,247	292	-	7,539
Waggon tracks	941	-	-	941
Permanent way	136,700	(1,476)	-	135,224
Health, safety and others	1,997	7	-	2,004
Ashover	4,037	7,995	-	12,032
Earl of Merioneth	277	(1)	-	276
Rhiw Goch signal box	1,154	(932)	-	222
Volunteer tools	145	(2)	-	143
Blaenau Ffestiniog Station	519	-	-	519
Hugh Napier	7,971	(7,206)	-	765
Heritage Buildings	354,058	155	-	354,213
Covid-19	7,125	16,052	-	23,177
	<u>751,912</u>	<u>138,553</u>	<u>-</u>	<u>890,465</u>
TOTAL FUNDS	<u>1,321,894</u>	<u>271,349</u>	<u>-</u>	<u>1,593,243</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2022**18. MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	455,218	(322,422)	132,796
Restricted funds			
Heritage fund	454	-	454
Minffordd Station	3,199	(2,694)	505
Tan y Bwlch Station	2,201	(3,054)	(853)
Lineside vehicle	12,185	-	12,185
Linda	87,443	-	87,443
England Locos	278	-	278
Lilla maintenance	-	(983)	(983)
Mountaineer	13,522	-	13,522
Kerr Stuart diesel 4415	29,072	(10,294)	18,778
James Spooner	3,233	-	3,233
Bug Boxes	4	(10,485)	(10,481)
First class interior	-	(1)	(1)
LAG drains	13	(424)	(411)
Archives	987	(695)	292
Permanent way	2,132	(3,608)	(1,476)
Health, safety and others	7	-	7
Ashover	7,999	(4)	7,995
Earl of Merioneth	-	(1)	(1)
Rhiw Goch signal box	-	(932)	(932)
Volunteer tools	(1)	(1)	(2)
Hugh Napier	1,104	(8,310)	(7,206)
Heritage Buildings	155	-	155
Covid-19	<u>16,052</u>	<u>-</u>	<u>16,052</u>
	<u>180,039</u>	<u>(41,486)</u>	<u>138,553</u>
TOTAL FUNDS	<u><u>635,257</u></u>	<u><u>(363,908)</u></u>	<u><u>271,349</u></u>

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2022****18. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.10.20 £	Net movement in funds £	Transfers between funds £	At 30.9.22 £
Unrestricted funds				
General fund	569,982	100,767	(10,615)	660,134
Restricted funds				
Heritage fund	6,546	540	53	7,139
Volunteer hostel fund	1,553	1	-	1,554
Minffordd Station	2,707	706	128	3,541
Tan y Bwlch Station	3,046	(1,535)	(1,660)	(149)
Kids Training Week	9,885	(3,040)	50	6,895
Lineside vehicle	12,812	12,701	-	25,513
Linda	2,099	67,836	3,240	73,175
England Locos	22,492	20,117	2,466	45,075
Lilla maintenance	1,163	(983)	-	180
Mountaineer	4,422	30,657	2,694	37,773
Kerr Stuart diesel 4415	10,940	8,532	589	20,061
James Spooner	54,419	6,112	840	61,371
Bug Boxes	92,521	(14,136)	-	78,385
First class interior	525	-	-	525
LAG drains	4,611	(2,235)	(523)	1,853
Archives	7,247	985	265	8,497
Waggon tracks	941	1	-	942
Permanent way	136,700	(141)	-	136,559
Health, safety and others	1,997	9	-	2,006
Ashover	4,037	8,003	-	12,040
Earl of Merioneth	277	(1)	-	276
Rhiw Goch signal box	1,154	(1,153)	-	1
Volunteer tools	145	(2)	-	143
Blaenau Ffestiniog Station	519	1,445	250	2,214
Hugh Napier	7,971	(6,755)	239	1,455
Heritage Buildings	354,058	641	-	354,699
Covid-19	7,125	17,033	1,984	26,142
Stations	-	750,000	-	750,000
	<u>751,912</u>	<u>895,338</u>	<u>10,615</u>	<u>1,657,865</u>
TOTAL FUNDS	<u>1,321,894</u>	<u>996,105</u>	<u>-</u>	<u>2,317,999</u>

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2022****18. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	743,834	(643,067)	100,767
Restricted funds			
Heritage fund	540	-	540
Volunteer hostel fund	1	-	1
Minffordd Station	3,473	(2,767)	706
Tan y Bwlch Station	3,484	(5,019)	(1,535)
Kids Training Week	405	(3,445)	(3,040)
Lineside vehicle	12,701	-	12,701
Linda	87,956	(20,120)	67,836
England Locos	20,117	-	20,117
Lilla maintenance	-	(983)	(983)
Mountaineer	30,657	-	30,657
Kerr Stuart diesel 4415	31,464	(22,932)	8,532
James Spooner	6,112	-	6,112
Bug Boxes	56	(14,192)	(14,136)
First class interior	1	(1)	-
LAG drains	15	(2,250)	(2,235)
Archives	1,680	(695)	985
Waggon tracks	1	-	1
Permanent way	3,467	(3,608)	(141)
Health, safety and others	9	-	9
Ashover	8,007	(4)	8,003
Earl of Merioneth	-	(1)	(1)
Rhiw Goch signal box	1	(1,154)	(1,153)
Volunteer tools	(1)	(1)	(2)
Blaenau Ffestiniog Station	1,445	-	1,445
Hugh Napier	1,555	(8,310)	(6,755)
Heritage Buildings	641	-	641
Covid-19	17,033	-	17,033
Stations	750,000	-	750,000
	<u>980,820</u>	<u>(85,482)</u>	<u>895,338</u>
TOTAL FUNDS	<u>1,724,654</u>	<u>(728,549)</u>	<u>996,105</u>

Unrestricted Funds

See the Reserves Policy for full details.

Restricted Funds

The Volunteer Hostel Fund is for the hostel in Penrhyn.

The Heritage Fund was set up in 1998 as "partnership funding" with The Festiniog Railway Trust for the Ffestiniog Railway Heritage Project, encompassing carriages 15 and 16 and slate wagon restoration. The fund is used to support heritage minded projects.

The England locos Fund was set up to fund the rebuild of Prince and upon completion of that loco is the home of funds raised for the restoration to working condition of fellow England loco Welsh Pony.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2022

18. MOVEMENT IN FUNDS - continued

The Bug Box Fund is available for use on all heritage carriages.

The First-Class Interior Fund has been set up as a result of the 2004 Life Member's Appeal to enhance first class accommodation on the Ffestiniog Railway.

The Lilla Maintenance Fund, set up in 1998, aims to raise money to contribute towards the ongoing maintenance of the locomotive.

The Mountaineer Fund exists to return the ALCO loco to traffic in as close as possible to its current form.

The Drains Fund has been set up following a large donation for the purposes of supplying materials for the future maintenance of the drainage infrastructure on the Ffestiniog Railway.

The Archives Fund has been set up as part of an appeal to improve the conditions for the preservation of the priceless collection of Ffestiniog Railway archive information.

The Permanent Way Fund has been set up as a result of a legacy specified specifically for embankments and structures.

Stations Fund is a new fund that has been set up as a result of a legacy specified specifically for expenditure relating to the Stations along the line.

Others include funds for health and safety projects and volunteer entertainment equipment.

General Fund Appropriations

Donations to the Festiniog Railway Company in respect of:

	<u>2022</u>	2021
	<u>£</u>	<u>£</u>
NRHA Plaque		363
Boston Lodge points		11,009
Boston Lodge NHLF	42,429	33,566
TyB Tearoom flooring	4,033	-
TyB Carpark	4,000	-
TyB Station House	525	-
Permanent Way	-	183,196
Bandsaw	-	4,500
Penrhyn Hostel	28,496	-
Minffordd station	-	519
Leaflets	-	250
Baseplates/Sleepers	100,000	-
Rhiw Goch	11,334	-
Tamper	13,112	-
Gravity Trains	9,692	-
Other	215	-
Totals	<u>212,786</u>	<u>233,403</u>

19. RELATED PARTY TRANSACTIONS

As stated in the principal activities section of the trustees' report, the purpose of the company is to support the restoration of the Ffestiniog Railway. For many years, there has been an arrangement whereby the company nominated one director onto the board of The Festiniog Railway Company and that company nominated a person to sit on the board of this company. During the year, the Society nominee was Sam Miller. Sam Miller did not receive any benefit from the Society during the year.

During the year the Ffestiniog Railway Society made donations totalling £256,782 (2021: £274,891) to The Festiniog Railway Company. The makeup of which being made up of current year donations amounting to £(205,793 (2021: £74,888), a conversion of the covid support loan of £nil (2021: £183,196) and year end accruals amounting to £50,989 (2021: £16,807).

The Society also had transactions with related groups and the FR Co during the year, and at the year end the Festiniog Railway Company amount owed to the Society stood at £118,804 (2021: £243,804), with this amount being included within debtors on the balance sheet. The Society also retained funds on behalf of the Dee & Mersey and FR Heritage groups, with the total held within creditors amounting to £21,962 (2021: £21,949).

20. POST BALANCE SHEET EVENTS

Legacies

With regard to legacies, kindly left to the Society by members, associates and others perhaps unconnected until now, the trustees are aware of a number of substantial bequests being left to the Society, with a portion already recognised as yearend debtors. However, no provision for has been made in the financial statements for any legacies with uncertainties surrounding their valuation and timing.

NLHF Boston Lodge Heritage Restoration and Interpretation Project

In April 2021 the board held an extraordinary meeting to discuss the agreement to grant the FRCo the sum of £475,014, to be specifically used as match funding for the Interpretation and Boston Lodge project sponsored by the National Lottery Heritage Fund. With this being a 50% contribution towards the total matched funding required from the FRCo as part of the NLHF Boston Lodge Heritage and Interpretation Project. The remaining 50% contribution was being contributed by the F&WHR Trust.

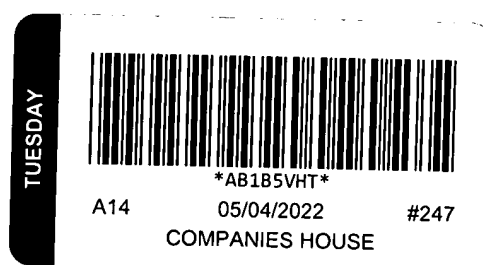
The grant was to be drawn down in tranches over a three-year period, with only a small contribution, towards the initial costs, some £42,429, being made in the year. Post year end, due to the inflationary impacts on the project, a further £93,900 has since been contributed.

No other post balance sheet events that require reporting or disclosing in the accounts have occurred since 30 September 2022.

Accounts

REGISTERED COMPANY NUMBER: 00542449 (England and Wales)
REGISTERED CHARITY NUMBER: 1064178

Report of the Trustees and
Financial Statements for the Year Ended 30 September 2021
for
Ffestiniog Railway Society



Dunn & Ellis Cyf
Chartered Accountants/Statutory Auditors
Chartered Accountants
Adeilad St David's Building,
Stryd Lombard Street
Porthmadog
Gwynedd
LL49 9AP

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for the Year Ended 30 September 2021

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Report of the Trustees
for the Year Ended 30 September 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 September 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal objective and aim of the Charity in the year under review was to advance the education of the public through the conservation of the Ffestiniog Railway. In practical terms, the activities of the charitable company in furtherance of its objectives are to support the Festiniog Railway Company in its preservation and operation of the Ffestiniog Railway.

Public benefit

The trustees confirm that they have complied with their duties as set out in Section 17(5) of the 2011 Charities Act to have due regard to the public benefit guidance published by the Charity Commission.

Volunteering

Train services came to an unscheduled end on 22 October 2020 as a result of public health restrictions imposed to restrict the spread of the covid19 virus. Unfortunately, this was followed at the end of that month by the departure of a significant number of members of staff made necessary by the need to economise in view of the drastic reduction in income available to the Festiniog Railway Company. Further restrictions on travel were imposed over the winter period and train services only resumed on 27 April 2021 with Woodland Wanderer and Mountain Prince services subsequently running to Tanybwllch and Dduallt respectively. Volunteers have played a vital role in providing these services both on the trains and as part of the hugely successful station host scheme. Locally based volunteers were also able to assist with basic maintenance activities over the winter period within the permitted regulations.

The relaxation of restrictions over the spring and summer periods allowed volunteers to return to their usual work of supporting all departments in the Ffestiniog Railway. The concept of a Minibash was introduced that allowed smaller groups of volunteers to meet at more frequent intervals than the usual Megabash and Gigabash events. This allowed volunteers to support the cleaning and preparation of Blaenau Ffestiniog station before the restoration of services in late July. It was very pleasing to see the return of the Young Volunteers Training Week in early August which is such an important event in securing the future of volunteering.

At the end of July 2021, it was announced that UNESCO had inscribed The Slate Landscape of Northwest Wales as a World Heritage Site. It is to be hoped that this designation will provide additional traffic for the Ffestiniog Railway as well as economic benefits to local communities.

The plaques recording the award of the 2020 Hendy & Pendle Trust Volunteers Award for the Minfford Gweithdy project were formally unveiled on 27 September 2021. The Society supported the restoration of the building which is a key workspace for volunteers as well as being available for community use. The restoration of this building is a fitting memorial to Eileen Clayton.

In October, the Society was delighted to learn that the bid to the National Lottery Heritage Fund for the Boston Lodge Interpretation and Regeneration Project had been successful. This three-year project will not only help to restore heritage buildings at Boston Lodge but will provide much improved facilities for staff and volunteers as well as increasing our out-reach into the community. The Society supported phase two of the bid development and has committed to providing its largest ever single grant during the implementation phase.

The Society has been pleased to have been able to help support the Festiniog Railway Company throughout what has been another difficult year. Volunteers and members of the Society have been able to assist with an outturn which is better than could have been expected twelve months or so ago. The trustees have been pleased to engage in collaborative discussions with the Company and the outlook for 2022 is far more encouraging.

Report of the Trustees
for the Year Ended 30 September 2021

FINANCIAL REVIEW

Financial Review

Financial position

The total operating surplus for the year amounted to £271,349 (2020: surplus of £3,756) and there were no transfers between the reserves in the year (2020: NIL). Details of direct charitable expenditure can be found in the Statement of Financial Activities.

The Society's total fund balance at the end of 2021 was £1,593,243 (2020: £1,321,894).

Principal funding sources

Finance

Despite the ongoing global pandemic and the constraints on finance and activity, the Society has seen another successful year with membership income holding firm in amongst strong donations and legacies. The balance sheet position at the year-end remains strong as a result of continued lower levels of activity on the Railway that are supported by the Society, whilst the overall income remained strong with a continued healthy intake of donations and legacies. The general fund position improved by some £133,000 in the full year.

The largest grants made to the Festiniog Railway Company totalled £183,196 in respect of Permanent Way work at Crossing Mawr, Spooners Hollow and Rhiw Plas. Other contributions from the general fund included £11,009 for Boston Lodge points and £4,500 to buy a new bandsaw in the Works. In restricted funds, we paid the final amounts in respect of the Hugh Napier overhaul of £8,310 and £10,485 for carriage restoration. The ongoing volunteer led project to restore the Kerr Stuart diesel 4415 saw costs of £9,737 as the restoration progresses.

During the year the Society board committed to the largest project to date of £475,000 in respect of the National Lottery Heritage Fund application. This is additional to the previous £50,008 committed to fund the application, of which we paid £33,747 in 2021.

Hostels

The hostel saw another challenged year due to further travel restrictions over the winter 2020/21 and the ongoing social restrictions due to the pandemic. Of a total available 5,475 bed nights available in the hostel (adjusted to reflect available usage), actual occupancy was only 2,007 compared to 2,532 in the year before. Clearly this has an impact on the income whilst the running costs of the hostel are not sufficiently variable to offset this.

Membership

Numbers and recognition

As in previous years, the majority of the Society's income came from the continued support of its much-valued members. The classification and breakdown of fee-paying memberships are as follows:

	<u>2021</u>	<u>2020</u>
Full members	820	862
Senior citizens	1,552	1,567
Associate	171	198
Senior citizens associate	372	361
Family main	103	115
Family - spouse / partner	103	114
Family - child	177	214
Juniors	23	22
Volunteer students	31	28
Life	1,266	1,341
Covenanted life	70	83
Senior citizen life	109	97
Associate life	175	197
Honorary life members	6	6
Total membership	4,978	5,205

Report of the Trustees
for the Year Ended 30 September 2021

The Society's membership year runs from the 1st January to the end of December, which differs from its accounting year by three months. As a result, the Society accrues a proportion of its annual membership income so as to carry it over to the relevant accounting period.

The Society is also aware that some members have prepaid their membership by a varying number of years, and again, these identified amounts are carried over to the relevant accounting periods. The same approach is also undertaken for Diamond Jubilee Appeal donors who are provided with Society membership.

Life and associated life membership fees represent one off contributions by these members for continued lifelong membership. In order that the Society's continuing obligations to these members is adequately reflected in its financial statements, life membership income received is accrued and written off over an 10 year period, which is considered by the Trustees to produce a reasonable approximation of expected accrued benefit and matches the approach undertaken by two similar organisations.

Report on the membership numbers

Whilst it is disappointing to report that membership dipped just below 5,000 at year-end (with 4,978 members compared with 5,205 at the start of the year) this is still a respectable position given the challenges presented by the pandemic to visit and enjoy the Railway.

We are pleased to see that whilst 364 members did not renew for 2020/21, this compares favourably with 518 last year, so our retention has improved on the previous year. Where we have suffered is that we only recruited 216 new members this year compared to 310 last year - again, entirely due to the pandemic.

As a summary, life membership is largely static once we allow for a clean-up exercise and annual membership is down by just over 100, which is roughly the shortfall this year in new members.

Fundraising

From a projects point of view, the Society launched the Linda appeal in December 2020 with an aim to raise £60,000 to reflect the 60 years (in 2022) that Linda has been on the Ffestiniog Railway, with the ability to sponsor certain years. The response was fantastic and testament to the popularity of the loco, with nearly £90,000 raised by the end of the financial year. This allowed the Festiniog Railway Company to commit to the rebuild and by the end of the year the boiler has been overhauled and tested ready for refitting once the chassis work has been completed.

Investment policy and objectives

The Society has adopted a conservative investment plan, which ensures all surplus funds are invested in an interest-bearing account with NatWest bank. This risk-free approach involves regular rebalancing of investments between current and reserve accounts. The interest earned is allocated monthly across all funds in line with the balances in those funds at the beginning of the month.

Report of the Trustees
for the Year Ended 30 September 2021

FINANCIAL REVIEW

Reserves policy

The Society's policy is to maintain an adequate reserve so as to enable it to discharge its charitable objectives and meet its ongoing day to day requirements. This being the case, the trustees consider that twelve months of general fund expenditure is an appropriate level of reserve to meet the day-to-day running costs of the charity including maintaining production of the in-house magazine and support for the running of the volunteer hostels, with this amounting to a sum of £65,000.

The main need of course is to hold sufficient reserves for its core objective of supporting the Ffestiniog Railway, which includes collecting unrestricted, designated, and restricted funds for a number of projects, administering and collecting moneys from the annual appeals as well as raising and maintaining sufficient general funds to meet its obligations for committed charitable objects. As at the end of 2021 the Society's main funds stood at:

Restricted funds: £890,465 (2020: £751,912)

The restricted funds held by the charity are only available for use on specific projects which are taken forward as resources become available to the Festiniog Railway Company. A detailed analysis of these projects is disclosed in note 16 of the financial statements.

General funds: £702,778 (2020: £569,982)

The Society's 'free' reserve for the year being a surplus of £702,769 (2020: a surplus of £569,973).

Although at first glance the uncommitted fund balance appears large, the difference is earmarked for a programme of grant applications from the Festiniog Railway Company over a four-year period that meet the objectives of the charity. In particular, the sum of £475,000 has been committed to support the National Lottery Heritage Fund Interpretation and Boston Lodge Works project.

EVENTS SINCE THE YEAR END AND FUTURE PLANS

As at the 30 September 2021, the amount outstanding of the loan to the Festiniog Railway Company provided in April 2020 for financial support due to the effects of the Covid19 pandemic amounted to £216,804.

In December 2021, the Festiniog Railway Company repaid £125,000 of the outstanding loan. This leaves £91,804 currently outstanding. The remaining loan is interest free and deemed to be repayable on demand.

The Society has committed to provide £475,000 of match-funding for the National Lottery Heritage Fund Interpretation and Boston Lodge Works Project over a three-year period commencing in April 2022.

No other post balance sheet events that require reporting or disclosing in the accounts have occurred since 30 September 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a memorandum and articles of association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Induction and training of new trustees

As part of their induction, new Board members are made aware of their responsibilities as board members. The induction includes an introduction to the objectives, scope, and policies of the charitable funds. Charity Commission information on trustee responsibility and copies of the previous year's annual report and accounts are provided.

Report of the Trustees
for the Year Ended 30 September 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Relationship with third parties

At the year end the Society holds five ordinary shares and one preference share in the Festiniog Railway Company, which have all been bequeathed to the Society. This constitutes a minority share and does not give any control to the Society. The Society makes grants to the Festiniog Railway Company as part of the pursuance of the main activities of the Society.

The Society also has the right to nominate to the Ffestiniog Railway Trustees for appointment one place on the Board of the Festiniog Railway Company as part of a reciprocal arrangement.

The Society interacts with area and functional groups, which have the common aims of supporting the Ffestiniog Railway.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Related party and key management personnel

The trustees consider the only key management personnel of the charity to be the board of trustees, who are in charge of directing, controlling, running and operating the charity on a day-to-day basis. Details of the trustees' remuneration, expenses and related party transactions are disclosed in a note to the accounts.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

00542449 (England and Wales)

Registered Charity number

1064178

Registered office

Harbour Station
Porthmadog
Gwynedd
LL49 9NF

Trustees

Mr H R L Wilson	(Chairman to resignation date)	(resigned 22.6.21)
Mr G Cole	(Deputy Chair/Chairman from 22.6.21)	
Mr G P Bond	(Finance Director / Treasurer)	
Mr D J Charlton		(resigned 1.5.21)
Mr P J Hawkins	(Membership Director)	
Mr D R Jones	(Hostels Director)	
Mr S G Miller	(Nominee member to the FRCo board)	
Mr N C Smith	(Safeguarding Director & Deputy Chair)	
Mr M N Wolstenholme	(Volunteering Director)	
Dr A F Tucker	(Volunteering Director)	
Mr L G Graham-Taylor	(Volunteering Director)	

Vice-Presidents

Rev Dr R F Buxton
Mr A Heywood
Mr T N Oulton
Mr A J Savage

Company Secretary

Mr J E Fenner

Report of the Trustees
for the Year Ended 30 September 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

Dunn & Ellis Cyf
Chartered Accountants/Statutory Auditors
Adeilad St David's Building
Stryd Lombard Street
Porthmadog
Gwynedd
LL49 9AP

Bankers

National Westminster Bank plc
2nd Floor
Bryn Eirias
Abergele Road
Colwyn Bay
LL29 8BY

Aldermore bank plc
Apex Plaza
Forbury Road
Reading
RG1 1AX

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Dunn & Ellis Cyf, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Ffestiniog Railway Society (Registered number: 00542449)

Report of the Trustees
for the Year Ended 30 September 2021

Approved by order of the board of trustees on 14th February 2022 and signed on its behalf by:

.....
Mr G Cole, Trustee

**Report of the Independent Auditors to the Members of
Ffestiniog Railway Society (Registered number: 00542449)**

Opinion

We have audited the financial statements of Ffestiniog Railway Society (the 'charitable company') for the year ended 30 September 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2021 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The 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 Report of the Independent Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of
Ffestiniog Railway Society (Registered number: 00542449)**

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 Report of the Trustees.

We have nothing to report in respect of the following matters where 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 take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

**Report of the Independent Auditors to the Members of
Ffestiniog Railway Society (Registered number: 00542449)**

Our responsibilities for the audit of the financial statements

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

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities, and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with trustees and other management.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company:
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence, where relevant; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

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

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

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

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

- agreeing financial statement disclosures to available underlying supporting documentation.
- reading the minutes of meetings of those charged with governance.

Report of the Independent Auditors to the Members of
Ffestiniog Railway Society (Registered number: 00542449)

- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HM Revenue & Customs and any relevant regulators etc.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatement that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

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 auditors' 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.



Mr Iorwerth Williams
(Senior Statutory Auditor)

for and on behalf of

Dunn & Ellis Cyf
Statutory Auditors
Adeilad St David's Building
Stryd Lombard Street
Porthmadog
Gwynedd
LL49 9AP

Date: 16/2/2022

Ffestiniog Railway Society

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 30 September 2021

	Notes	Unrestricted fund £	Restricted funds £	30.9.21 Total funds £	30.9.20 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations, legacies & gift aid	3	341,611	180,004	521,615	237,862
Charitable activities	6				
Hostel income		9,306	-	9,306	11,475
Subscriptions		100,394	-	100,394	108,048
Raising charitable funds	4	2,428	-	2,428	3,469
Investment income	5	1,479	35	1,514	1,425
Total		455,218	180,039	635,257	362,279
 EXPENDITURE ON					
Raising charitable funds	7	40,668	-	40,668	44,670
Charitable activities	8				
Hostel expenses		39,084	-	39,084	42,793
Donations to the FR Company		233,403	41,487	274,890	262,455
Governance and support		9,266	-	9,266	8,605
Total		322,421	41,487	363,908	358,523
 NET INCOME		132,797	138,552	271,349	3,756
 RECONCILIATION OF FUNDS					
Total funds brought forward		569,982	751,912	1,321,894	1,318,138
 TOTAL FUNDS CARRIED FORWARD		702,779	890,464	1,593,243	1,321,894

The notes form part of these financial statements

Ffestiniog Railway Society (Registered number: 00542449)**Balance Sheet****30 September 2021**

	Notes	Unrestricted fund £	Restricted funds £	30.9.21 Total funds £	30.9.20 Total funds £
FIXED ASSETS					
Tangible assets	13	3	-	3	3
Investments	14	<u>6</u>	<u>-</u>	<u>6</u>	<u>6</u>
		9	-	9	9
CURRENT ASSETS					
Debtors	15	326,695	357,911	684,606	822,538
Cash at bank		<u>524,549</u>	<u>540,317</u>	<u>1,064,866</u>	<u>671,759</u>
		851,244	898,228	1,749,472	1,494,297
CREDITORS					
Amounts falling due within one year	16	<u>(79,217)</u>	<u>(7,763)</u>	<u>(86,980)</u>	<u>(114,208)</u>
NET CURRENT ASSETS		<u>772,027</u>	<u>890,465</u>	<u>1,662,492</u>	<u>1,380,089</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		772,036	890,465	1,662,501	1,380,098
CREDITORS					
Amounts falling due after more than one year	17	<u>(69,258)</u>	<u>-</u>	<u>(69,258)</u>	<u>(58,204)</u>
NET ASSETS		<u>702,778</u>	<u>890,465</u>	<u>1,593,243</u>	<u>1,321,894</u>
FUNDS	18				
Unrestricted funds				702,778	569,982
Restricted funds				<u>890,465</u>	<u>751,912</u>
TOTAL FUNDS				<u>1,593,243</u>	<u>1,321,894</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 10th February 2022 and were signed on its behalf by:

.....
Mr G Lole - Trustee

.....
Mr G P Bond - Trustee

The notes form part of these financial statements

Ffestiniog Railway Society**Cash Flow Statement
for the Year Ended 30 September 2021**

	Notes	30.9.21 £	30.9.20 £
Cash flows from operating activities			
Cash generated from operations	1	<u>391,593</u>	<u>(344,495)</u>
Net cash provided by / (used in) operating activities		<u>391,593</u>	<u>(344,495)</u>
 Cash flows from investing activities			
Interest received		<u>1,514</u>	<u>1,425</u>
Net cash provided by investing activities		<u>1,514</u>	<u>1,425</u>
Change in cash and cash equivalents in the reporting period		393,107	(343,070)
Cash and cash equivalents at the beginning of the reporting period		<u>671,759</u>	<u>1,014,829</u>
 Cash and cash equivalents at the end of the reporting period		<u><u>1,064,866</u></u>	<u><u>671,759</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 30 September 2021

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	30.9.21	30.9.20
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	271,349	3,756
Adjustments for:		
Interest received	(1,514)	(1,425)
Decrease/(increase) in debtors	137,932	(359,120)
(Decrease)/increase in creditors	<u>(16,174)</u>	<u>12,294</u>
Net cash provided by/(used in) operations	<u>391,593</u>	<u>(344,495)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.10.20	Cash flow	At 30.9.21
	£	£	£
Net cash			
Cash at bank	<u>671,759</u>	<u>393,107</u>	<u>1,064,866</u>
	<u>671,759</u>	<u>393,107</u>	<u>1,064,866</u>
Total	<u>671,759</u>	<u>393,107</u>	<u>1,064,866</u>

Notes to the Financial Statements
for the Year Ended 30 September 2021

1. STATUTORY INFORMATION

Ffestiniog Railway Society is a limited company, limited by guarantee as defined by the Companies Act 2006 and is registered in England and Wales. The company is also registered as a charity with the Charity Commission. The company's registered numbers and registered office address can be found under the "Reference and administrative details" section of the Report of the Trustees.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Income

Incoming resources

All incoming resources are included on the Statement of Financial Activities when it is probable that the income will be received, and the amount can be measured reliably. This is in keeping with the requirements of the abovementioned accounting standards. The Society has thus developed the following policy for recognising incoming resources:

- a. it has entitlement,
- b. it is probable the amounts will be received, and
- c. when the amount can be reliably measured.

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 Society 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. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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.

Donations are generally recorded upon receipt.

Subscription and Society membership income are recognised according to the above criteria with the exception of amounts received and deemed to be received in advance, which are deferred until the income recognition criteria are met:

- Annual membership relating to three twelfth of the membership income is deferred until the subsequent period.
- Advanced membership receipts are deferred and released in the period to which they relate.
- Diamond Jubilee Appeal income is received for a 5-year membership period and is deferred and apportioned accordingly.
- Life and associated life membership income is deferred and amortised of a deemed 10-year period, which is commensurate to the policy adopted by to other similar organisations.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2021

2. ACCOUNTING POLICIES - continued

Expenditure

Resources expended, including primary purpose donations

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 a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

In order for donations to meet this recognition criteria, agreements in principle to provide funding for proposed projects are not recognised until valid expense claims are made to the Society, discussed by its board and approved for release.

Tangible fixed assets

Tangible fixed asset additions are capitalised if they cost more than £1,000 and can be used for more than one year. Qualifying assets are initially recognised at their cost price and are subsequently recorded at cost, less accumulated depreciation and less amounts recognised in respect of impairment.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

- Plant and machinery is depreciated over 5 years on a straight line basis.
- No depreciation has been charged in these accounts in respect of office equipment and Society Films, which have been depreciated in previous years to their nominal residual value.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Concessionary loans to the Festiniog Railway Company

From April 2020, as part of its response to the Coronavirus outbreak, the Society lent £250,000 to the Company. This was followed by a further £150,000 lent to the Company at the beginning in July 2020.

Both these loans are repayable on demand and are interest free. Repayment dates may be expected to be discussed further.

In line with the provisions within the accounting standards, these loans are recognised initially at cost, with repayments or conversions to grants being recognised in the relevant periods.

Voluntary assistance

The company has no employees and many of its members give freely of their time to carry out all of the activities of the company. These voluntary contributions are not included in the accounts.

Ffestiniog Railway Society

Notes to the Financial Statements - continued
for the Year Ended 30 September 2021

3. DONATIONS, LEGACIES & GIFT AID

	30.9.21	30.9.20
	£	£
Donations	167,530	108,930
Gift aid	38,800	34,663
Legacies	<u>315,285</u>	<u>94,269</u>
	<u>521,615</u>	<u>237,862</u>

4. RAISING CHARITABLE FUNDS

	30.9.21	30.9.20
	£	£
Magazine income	2,308	3,238
Sundry income	<u>120</u>	<u>231</u>
	<u>2,428</u>	<u>3,469</u>

5. INVESTMENT INCOME

	30.9.21	30.9.20
	£	£
Deposit account interest	<u>1,514</u>	<u>1,425</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	30.9.21	30.9.20
		£	£
Hostel income	Hostel income	9,306	11,475
Subscriptions	Subscriptions	73,516	74,947
Family & associate membership	Subscriptions	10,221	11,965
Student & junior membership	Subscriptions	880	848
Life membership	Subscriptions	<u>15,777</u>	<u>20,288</u>
		<u>109,700</u>	<u>119,523</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2021

7. RAISING CHARITABLE FUNDS

Administrative expenses

	30.9.21	30.9.20
	£	£
Magazine	34,961	39,943
Registry expenses	2,420	1,655
Sundries	<u>3,287</u>	<u>3,072</u>
	<u>40,668</u>	<u>44,670</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs £
Hostel expenses	39,084
Donations to the FR Company	<u>274,890</u>
	<u>313,974</u>

9. SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Other resources expended	<u>2,801</u>	<u>6,465</u>	<u>9,266</u>

10. AUDITORS' REMUNERATION

	30.9.21 £	30.9.20 £
Fees payable to the charity's auditors for the audit of the financial statements	3,530	3,210
Accountancy costs	<u>2,935</u>	<u>2,795</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 September 2021 nor for the year ended 30 September 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 September 2021 nor for the year ended 30 September 2020.

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2021**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations, legacies & gift aid	98,326	139,536	237,862
Charitable activities			
Hostel income	11,475	-	11,475
Subscriptions	108,048	-	108,048
Raising charitable funds	3,469	-	3,469
Investment income	<u>982</u>	<u>443</u>	<u>1,425</u>
Total	222,300	139,979	362,279
EXPENDITURE ON			
Raising charitable funds	44,670	-	44,670
Charitable activities			
Hostel expenses	42,793	-	42,793
Donations to the FR Company	103,666	158,789	262,455
Governance and support	<u>8,605</u>	<u>-</u>	<u>8,605</u>
Total	199,734	158,789	358,523
NET INCOME/(EXPENDITURE)	22,566	(18,810)	3,756
RECONCILIATION OF FUNDS			
Total funds brought forward	547,415	770,723	1,318,138
TOTAL FUNDS CARRIED FORWARD	<u>569,981</u>	<u>751,913</u>	<u>1,321,894</u>

13. TANGIBLE FIXED ASSETS

	Plant and machinery £	Office equipment £	Society films £	Totals £
COST				
At 1 October 2020 and 30 September 2021	<u>1,100</u>	<u>1,536</u>	<u>409</u>	<u>3,045</u>
DEPRECIATION				
At 1 October 2020 and 30 September 2021	<u>1,099</u>	<u>1,535</u>	<u>408</u>	<u>3,042</u>
NET BOOK VALUE				
At 30 September 2021	<u>1</u>	<u>1</u>	<u>1</u>	<u>3</u>
At 30 September 2020	<u>1</u>	<u>1</u>	<u>1</u>	<u>3</u>

The net book value on 30 September 2021 represents fixed assets used for the management and administration of the charity.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2021

14. FIXED ASSET INVESTMENTS

	Fixed asset investments £
MARKET VALUE	
At 1 October 2020 and 30 September 2021	<u>6</u>
NET BOOK VALUE	
At 30 September 2021	<u>6</u>
At 30 September 2020	<u>6</u>

There were no investment assets outside the UK.

The above figures consist of:

- a. The Festiniog Railway Company 100 5% preference shares of £10 each - at cost - £1
- b. 5 ordinary shares of £1 each - at cost - £5

In the opinion of the trustees, the market value of the shares is similar to their cost.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.21 £	30.9.20 £
Gift aid debtor	72,492	33,930
Festiniog Railway Company loan	243,804	427,000
Legacies	366,082	357,911
VAT	<u>2,228</u>	<u>3,697</u>
	<u>684,606</u>	<u>822,538</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.21 £	30.9.20 £
Trade creditors	8,598	-
Accrued FR Company donations	16,809	50,305
Dee & Mersey group	7,900	7,900
FR heritage group	14,049	14,048
Subscriptions and donations received in advance	33,159	35,950
Accrued expenses	<u>6,465</u>	<u>6,005</u>
	<u>86,980</u>	<u>114,208</u>

Ffestiniog Railway Society**Notes to the Financial Statements - continued
for the Year Ended 30 September 2021****17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	30.9.21	30.9.20
	£	£
Subscriptions and donations received in advance	<u>69,258</u>	<u>58,204</u>

18. MOVEMENT IN FUNDS

	At 1.10.20 £	Net movement in funds £	At 30.9.21 £
Unrestricted funds			
General fund	569,982	132,796	702,778
Restricted funds			
Heritage fund	6,546	454	7,000
Volunteer hostel fund	1,553	-	1,553
Minffordd Station	2,707	505	3,212
Tan y Bwlch Station	3,046	(853)	2,193
Kids Training Week	9,885	-	9,885
Lineside vehicle	12,812	12,185	24,997
Linda	2,099	87,443	89,542
England Locos	22,492	278	22,770
Lilla maintenance	1,163	(983)	180
Mountaineer	4,422	13,522	17,944
Kerr Stuart diesel 4415	10,940	18,778	29,718
James Spooner	54,419	3,233	57,652
Bug Boxes	92,521	(10,481)	82,040
First class interior	525	(1)	524
LAG drains	4,611	(411)	4,200
Archives	7,247	292	7,539
Waggon tracks	941	-	941
Permanent way	136,700	(1,476)	135,224
Health, safety, and others	1,997	7	2,004
Ashover	4,037	7,995	12,032
Earl of Merioneth	277	(1)	276
Rhiw Goch signal box	1,154	(932)	222
Volunteer tools	145	(2)	143
Blaenau Ffestiniog Station	519	-	519
Hugh Napier	7,971	(7,206)	765
Heritage Buildings	354,058	155	354,213
Covid-19	7,125	16,052	23,177
	<u>751,912</u>	<u>138,553</u>	<u>890,465</u>
TOTAL FUNDS	<u>1,321,894</u>	<u>271,349</u>	<u>1,593,243</u>

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2021****18. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	455,218	(322,422)	132,796
Restricted funds			
Heritage fund	454	-	454
Minffordd Station	3,199	(2,694)	505
Tan y Bwlch Station	2,201	(3,054)	(853)
Lineside vehicle	12,185	-	12,185
Linda	87,443	-	87,443
England Locos	278	-	278
Lilla maintenance	-	(983)	(983)
Mountaineer	13,522	-	13,522
Kerr Stuart diesel 4415	29,072	(10,294)	18,778
James Spooner	3,233	-	3,233
Bug Boxes	4	(10,485)	(10,481)
First class interior	-	(1)	(1)
LAG drains	13	(424)	(411)
Archives	987	(695)	292
Permanent way	2,132	(3,608)	(1,476)
Health, safety, and others	7	-	7
Ashover	7,999	(4)	7,995
Earl of Merioneth	-	(1)	(1)
Rhiw Goch signal box	-	(932)	(932)
Volunteer tools	(1)	(1)	(2)
Hugh Napier	1,104	(8,310)	(7,206)
Heritage Buildings	155	-	155
Covid-19	16,052	-	16,052
	<u>180,039</u>	<u>(41,486)</u>	<u>138,553</u>
TOTAL FUNDS	<u>635,257</u>	<u>(363,908)</u>	<u>271,349</u>

Ffestiniog Railway Society**Notes to the Financial Statements - continued
for the Year Ended 30 September 2021****18. MOVEMENT IN FUNDS - continued****Comparatives for movement in funds**

	At 1.10.19 £	Net movement in funds £	At 30.9.20 £
Unrestricted funds			
General fund	547,415	22,567	569,982
Restricted funds			
Heritage fund	6,292	254	6,546
Volunteer hostel fund	1,551	2	1,553
Minffordd Station	-	2,707	2,707
Tan y Bwlch Station	3,043	3	3,046
Kids Training Week	8,852	1,033	9,885
Lineside vehicle	12,798	14	12,812
Linda	2,096	3	2,099
England Locos	78,202	(55,710)	22,492
Lilla maintenance	5,851	(4,688)	1,163
Mountaineer	3,021	1,401	4,422
Kerr Stuart diesel 4415	15,023	(4,083)	10,940
James Spooner	49,677	4,742	54,419
Bug Boxes	50,087	42,434	92,521
First class interior	524	1	525
LAG drains	4,032	579	4,611
Archives	2,799	4,448	7,247
Waggon tracks	441	500	941
Permanent way	148,298	(11,598)	136,700
Health, safety, and others	1,995	2	1,997
Ashover	4,032	5	4,037
Earl of Merioneth	276	1	277
Rhiw Goch signal box	1,153	1	1,154
Volunteer tools	144	1	145
Blaenau Ffestiniog Station	519	-	519
Hugh Napier	12,106	(4,135)	7,971
Heritage Buildings	357,911	(3,853)	354,058
Covid-19	-	7,125	7,125
	<u>770,723</u>	<u>(18,811)</u>	<u>751,912</u>
TOTAL FUNDS	<u><u>1,318,138</u></u>	<u><u>3,756</u></u>	<u><u>1,321,894</u></u>

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2021****18. MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	222,300	(199,733)	22,567
Restricted funds			
Heritage fund	254	-	254
Volunteer hostel fund	2	-	2
Minffordd Station	2,707	-	2,707
Tan y Bwlch Station	3	-	3
Kids Training Week	973	60	1,033
Lineside vehicle	14	-	14
Linda	3	-	3
England Locos	2,157	(57,867)	(55,710)
Lilla maintenance	132	(4,820)	(4,688)
Mountaineer	1,401	-	1,401
Kerr Stuart diesel 4415	4,026	(8,109)	(4,083)
James Spooner	4,742	-	4,742
Bug Boxes	42,434	-	42,434
First class interior	1	-	1
LAG drains	955	(376)	579
Archives	17,737	(13,289)	4,448
Waggon tracks	500	-	500
Permanent way	155	(11,753)	(11,598)
Health, safety, and others	2	-	2
Ashover	5	-	5
Earl of Merioneth	1	-	1
Rhiw Goch signal box	1	-	1
Volunteer tools	1	-	1
Hugh Napier	4,555	(8,690)	(4,135)
Heritage Buildings	93	(3,946)	(3,853)
Covid-19	57,125	(50,000)	7,125
	<u>139,979</u>	<u>(158,790)</u>	<u>(18,811)</u>
TOTAL FUNDS	<u>362,279</u>	<u>(358,523)</u>	<u>3,756</u>

Ffestiniog Railway Society**Notes to the Financial Statements - continued**
for the Year Ended 30 September 2021**18. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.10.19 £	Net movement in funds £	At 30.9.21 £
Unrestricted funds			
General fund	547,415	155,363	702,778
Restricted funds			
Heritage fund	6,292	708	7,000
Volunteer hostel fund	1,551	2	1,553
Minffordd Station	-	3,212	3,212
Tan y Bwlch Station	3,043	(850)	2,193
Kids Training Week	8,852	1,033	9,885
Lineside vehicle	12,798	12,199	24,997
Linda	2,096	87,446	89,542
England Locos	78,202	(55,432)	22,770
Lilla maintenance	5,851	(5,671)	180
Mountaineer	3,021	14,923	17,944
Kerr Stuart diesel 4415	15,023	14,695	29,718
James Spooner	49,677	7,975	57,652
Bug Boxes	50,087	31,953	82,040
First class interior	524	-	524
LAG drains	4,032	168	4,200
Archives	2,799	4,740	7,539
Waggon tracks	441	500	941
Permanent way	148,298	(13,074)	135,224
Health, safety, and others	1,995	9	2,004
Ashover	4,032	8,000	12,032
Earl of Merioneth	276	-	276
Rhiw Goch signal box	1,153	(931)	222
Volunteer tools	144	(1)	143
Blaenau Ffestiniog Station	519	-	519
Hugh Napier	12,106	(11,341)	765
Heritage Buildings	357,911	(3,698)	354,213
Covid-19	-	23,177	23,177
	<u>770,723</u>	<u>119,742</u>	<u>890,465</u>
TOTAL FUNDS	<u><u>1,318,138</u></u>	<u><u>275,105</u></u>	<u><u>1,593,243</u></u>

Ffestiniog Railway Society

Notes to the Financial Statements - continued for the Year Ended 30 September 2021

18. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	677,518	(522,155)	155,363
Restricted funds			
Heritage fund	708	-	708
Volunteer hostel fund	2	-	2
Minffordd Station	5,906	(2,694)	3,212
Tan y Bwlch Station	2,204	(3,054)	(850)
Kids Training Week	973	60	1,033
Lineside vehicle	12,199	-	12,199
Linda	87,446	-	87,446
England Locos	2,435	(57,867)	(55,432)
Lilla maintenance	132	(5,803)	(5,671)
Mountaineer	14,923	-	14,923
Kerr Stuart diesel 4415	33,098	(18,403)	14,695
James Spooner	7,975	-	7,975
Bug Boxes	42,438	(10,485)	31,953
First class interior	1	(1)	-
LAG drains	968	(800)	168
Archives	18,724	(13,984)	4,740
Waggon tracks	500	-	500
Permanent way	2,287	(15,361)	(13,074)
Health, safety, and others	9	-	9
Ashover	8,004	(4)	8,000
Earl of Merioneth	1	(1)	-
Rhiw Goch signal box	1	(932)	(931)
Volunteer tools	-	(1)	(1)
Hugh Napier	5,659	(17,000)	(11,341)
Heritage Buildings	248	(3,946)	(3,698)
Covid-19	73,177	(50,000)	23,177
	<u>320,018</u>	<u>(200,276)</u>	<u>119,742</u>
TOTAL FUNDS	<u>997,536</u>	<u>(722,431)</u>	<u>275,105</u>

Unrestricted Funds

See the Reserves Policy for full details.

Restricted Funds

The Volunteer Hostel Fund is for the hostel in Penrhyn.

The Heritage Fund was set up in 1998 as "partnership funding" with The Festiniog Railway Trust for the Ffestiniog Railway Heritage Project, encompassing carriages 15 and 16 and slate wagon restoration. The fund is used to support heritage minded projects.

The England locos Fund was set up to fund the rebuild of Prince and upon completion of that loco is the home of funds raised for the restoration to working condition of fellow England loco Welsh Pony.

Ffestiniog Railway Society

Notes to the Financial Statements - continued **for the Year Ended 30 September 2021**

18. MOVEMENT IN FUNDS - continued

The First-Class Interior Fund has been set up as a result of the 2004 Life Member's Appeal to enhance first class accommodation on the Ffestiniog Railway.

The Lilla Maintenance Fund, set up in 1998, aims to raise money to contribute towards the ongoing maintenance of the locomotive.

The Mountaineer Fund exists to return the ALCO loco to traffic in as close as possible to its current form.

The Drains Fund has been set up following a large donation for the purposes of supplying materials for the future maintenance of the drainage infrastructure on the Ffestiniog Railway.

The Archives Fund has been set up as part of an appeal to improve the conditions for the preservation of the priceless collection of Ffestiniog Railway archive information.

The Permanent Way Fund has been set up as a result of a legacy specified for that purpose.

Others include funds for health and safety projects and volunteer entertainment equipment.

General Fund Appropriations

Donations to the Festiniog Railway Company in respect of:

	<u>2021</u>	2020
NRHA Plaque	363	-
Boston Lodge points	11,009	£19,175
Boston Lodge NHLF	33,566	5,464
Blacksmiths	-	£19,549
Permanent Way	183,196	-
Bandsaw	4,500	-
Heritage waggons	-	£15,582
Hostel	-	£20,260
Minffordd station	519	-
Leaflets	250	-
Baseplates/Sleepers	-	£17,694
Other	-	£5,942
Totals	233,403	103,666

19. RELATED PARTY TRANSACTIONS

As stated in the principal activities section of the trustees' report, the purpose of the company is to support the restoration of the Ffestiniog Railway. For many years, there has been an arrangement whereby the company nominated one director onto the board of The Festiniog Railway Company and that company nominated a person to sit on the board of this company. During the year, the Society nominee was Sam Miller. Sam Miller did not receive any benefit from the Society during the year.

During the year the Ffestiniog Railway Society made donations totalling £274,890 (2020: £262,455) to The Festiniog Railway Company. The makeup of which being made up of current year donations amounting to £74,887 (2020: £212,150), a conversion of the covid support loan of £183,196 (2020: nil) and year end accruals amounting to £16,807 (2020: £50,305).

The Society also had transactions with related groups and the FR Co during the year, and at the year end the Festiniog Railway Company amount owed to the Society stood at £243,804 (2020: £427,000), with this amount being included within debtors on the balance sheet. The Society also retained funds on behalf of the Dee & Mersey and FR Heritage groups, with the total held within creditors amounting to £21,949 (2020: £21,948).

20. POST BALANCE SHEET EVENTS

Covid related support provided to the Festiniog Railway Company

As noted in the accounts to September 2020, the Ffestiniog Railway Society loaned £400,000 to the Festiniog Railway Company (FRCo) to support cashflow during the COVID pandemic. This loan was interest free, without security and deemed to be repayable upon demand.

During the September 2021 financial year end, the board of trustees agreed to convert £183,196 of the financial loan support into a grant, with this representing costs incurred by the Festiniog Railway Company infrastructure projects at Crossing Mawr, Spooners Hollow and Rhiw Plas. A further amount of £125,000 was then repaid by the FRCo in December 2021.

NLHF Boston Lodge Heritage Restoration and Interpretation Project

In April 2021 the board held an extraordinary meeting to discuss the agreement to grant the FRCo the sum of £475,014, to be specifically used as match funding for the Interpretation and Boston Lodge project sponsored by the National Lottery Heritage Fund. With this being a 50% contribution towards the total matched funding required from the FRCo as part of the NLHF Boston Lodge Heritage and Interpretation Project. The remaining 50% contribution was being contributed by the F&WHR Trust.

The grant is to be drawn down in tranches over a three-year period, with the first payment by the Society, to the FRCo expected to take place during 2022.

Accounts

REGISTERED COMPANY NUMBER: 00542449 (England and Wales)
REGISTERED CHARITY NUMBER: 1064178

Report of the Trustees and
Financial Statements for the Year Ended 30 September 2020
for
Ffestiniog Railway Society

Dunn & Ellis Cyf
Chartered Accountants/Statutory Auditors
Chartered Accountants
Adeilad St David's Building
Stryd Lombard Street
Porthmadog
Gwynedd
LL49 9AP



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for the Year Ended 30 September 2020

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Ffestiniog Railway Society

Society Chairman's AGM Report for the Year Ended 30 September 2020

2020 has been a most challenging year from the early hints of the arrival of the Covid-19 virus and the subsequent lockdown of the UK - the railway had to immediately prepare for the impact it would have on almost every aspect of the organisation. Lockdown was imposed towards the end of March resulting in the loss of the lucrative timetabled trains from Easter onwards. Plans were developed to use the fleet of heritage carriages with compartments which were adapted to become Covid compliant; this required the installation of dividing panels mounted on top of the seat backs to separate each compartment and maintain social distancing. Up to six trains a day ran using the small locomotives, running at 15mph to reduce the fuel consumption and were completely staffed by volunteers to keep the costs to a minimum.

The return trip from mid-July until late October was only as far as Tan y Bwlch, which allowed the passengers to enjoy refreshments at the "Tan y Bwlch Tea Room", served by an enthusiastic team led by Sandra Bond and Deby Rowson who welcomed the arrival of each train. They had recently taken over the café and converted it into a very attractive tea room which had become a favourite venue for locals and visitors alike. In a new environment tickets to travel were only sold on-line and entitled the holder to occupy a specific compartment, which was comprehensively cleaned between each departure. A large team of volunteer station hosts efficiently escorted passengers to their compartment. A train was only allowed to run if it was sufficiently booked to produce a profit and as a result, some were inevitably cancelled. The service that could be run was considered a great success and visitors understood and accepted the restrictions that the Government had imposed, however it would never provide sufficient profit to maintain the Company's normal wage bill.

The Company made several applications for grants from Government funds set up to support businesses in Wales. Some were successful and provided useful sums, but it still left the Company with a significant shortfall. It was observed that heritage railways in England were able to access much larger grants than those made available in Wales. Income in recent years had been around £6m and was it was inevitable that it would be only be in the region of £1m by the year end. "Survival" is the watch-word and it is to be hoped that with vaccines soon to be administered, 2021 might bring some level of normality back to the everyday performance of the railway.

The Government furlough scheme was used but it didn't avoid one third of the paid staff being made redundant at the end of October. Unfortunately, loyalty and commitment do not always guarantee the future of a position on the payroll and some longstanding employees left for pastures new. It was with great regret that we saw them depart and we wish them every success for the future.

Those who remain are now part of a much more streamlined staff structure which should retain many of the skills, experience and knowledge required to maintain the infrastructure, engineering and operational side of the railway. However, there will have to be greater dependency on volunteers and it is to be hoped that the unpaid workforce will be retained and enthusiasm regenerated at a time when the health of the nation may still be in question.

Because of the lack of income, it was thought quite early on that supporters and members of the FR Society and the Welsh Highland Railway Society (CRhE) might be willing to donate to an Emergency Appeal. A steady flow of contributions brought in over £580,000 for which we remain immensely grateful.

In addition, the two Societies and the Trust, (now referred to as the Three Charities), each offered a loan of £400,000 to the Company which, given the circumstances, formed a substantial fighting fund. After the financial year end, nearly 50% of the FRS contribution has been converted into grants. The money used at this time of crisis was taken from the general fund which is constantly topped up by donations and legacies received from our members; once again, we are very grateful for their support. However, £300,000 which had previously been approved to support the restoration of Tan y Bwlch Station house was withdrawn in order to boost the available funds.

The Society directors are particularly pleased about the coming together of the Societies and the Trust to support the Company. Clearly, the "Ffestiniog Family" working in a more collaborative way makes a great deal of sense as all our objectives are to ensure the long-term survival of the railway. The directors welcome the burgeoning policy details of the fortnightly Company board meetings being shared with us and that we are given the chance to offer feedback and ideas that might prove to be valuable. The regular use of virtual meeting technology has provided the facility to make this an easy proposition. There is a desire that this arrangement will continue into the future.

Meanwhile, the outcome is awaited of the application to UNESCO for the slate industry of North Wales, including the Ffestiniog Railway, to be registered as a World Heritage Site. The second round bid for the National Lottery Heritage Fund Boston Lodge Works Interpretation and Development Project is proceeding. The earlier project to re-roof the blacksmith's shop at Boston Lodge and rebuild its five tall chimneys was finally completed. It had been partly funded by the Society and illustrates the standard of work that should be applied to all the heritage buildings.

Ffestiniog Railway Society

Society Chairman's AGM Report for the Year Ended 30 September 2020

The workshops at Boston Lodge have made the most of the contract work available to which has attracted outside income, especially that received from the construction of carriages. This included a Pickering brake-composite carriage for the Welsh Highland Heritage Railway and a North Wales Narrow Gauge Ashbury bogie brake-composite carriage which will help to complete the FR's historic carriage fleet. The erecting shop constructed a new underframe for the National Tramway Museum at Crich. Work was undertaken by the skilled staff in the erecting shop on Lilla and Hugh Napier for which FRS had money available in restricted funds. Due to the successful fundraising, there was also money reserved specifically to finish the rebuilding of the George England locomotive Welsh Pony and General Manager Paul Lewin was determined that it be finished by the beginning of May.

Sadly, many of the Company organised major events planned for 2020 were lost to the pandemic. These included the re-enactment of the historic Fairlie trials, the Victorian weekend in October and the Snowdonian and the Snowdonian Limited fund-raising trains.

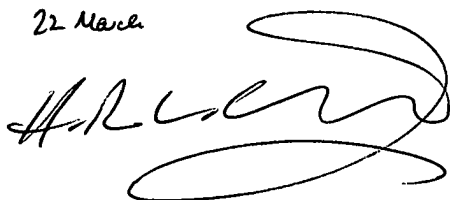
The Society AGM was also a casualty and had to be converted to a virtual event and the accompanying weekend event for members abandoned. It was unfortunate that there were no presentations where we were able to recognise the efforts of volunteers. In recent years our General Manager has always tried to include some activity to attract the interest of the members and to show gratitude to members for their continuing support. On this occasion it was the turn of Welsh Pony to be steamed up and working for the first time. It was shown live on Facebook and following advance publicity 27,000 people "tuned-in". At the scaled down vintage event in October the loco was named at a ceremony held at a very wet Dduallt Station.

Social media is now being used extensively to market the railway. This may indicate the demise of the traditional timetable leaflet but it has allowed changes to be made to the timetable or planned events, which has been essential when lockdown was imposed at short notice. The development of the online facilities also allowed tickets to be booked remotely involving a minimum of on-site personnel and the purchase of souvenirs from the shop to continue.

In 2019 the Booking Office discovered that some membership cards from both Societies were being used fraudulently to obtain members' tickets when they were offered by people who were not members. The FRS board readily committed to combat the problem by introducing new membership cards complete with a photograph of the registered holder. They began to be distributed by the registrar to those who were renewing towards the end of the 2020. The benefits for members are yet to be reviewed.

H. R. L. Wilson
January 2021

22 March



Report of the Trustees
for the Year Ended 30 September 2020

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 September 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal objective and aim of the Charity in the year under review was to advance the education of the public through the conservation of the Ffestiniog Railway for the public benefit and through the promotion and encouragement of voluntary work in support of the Ffestiniog Railway. In practical terms, the activities of the charitable company in furtherance of its objects are to support The Festiniog Railway Company in its preservation and operation of the Ffestiniog Railway.

Public benefit

The trustees confirm that they have complied with their duties as set out in Section 17(5) of the 2011 Charities Act to have due regard to the public benefit guidance published by the Charity Commission.

Volunteering

Although not strictly volunteers, groups of apprentices from Network Rail Wales spent four weeks over the winter months working with infrastructure teams from Permanent Way, Lineside and Signals and Telegraph departments. Twelve members of the Imperial College London Railway and Transport Society visited to advance the cabling and laying of track in the new carriage shed. This was supplemented by members of the Dee and Mersey Group and later the Rest of the World Gang who completed further track laying there.

However, volunteering generally was fraught with problems during the year with various levels of restriction imposed, some of which stopped work altogether and some which prevented volunteers travelling from England resulting in many working parties being abandoned. All the main volunteering events including Megabash in March, the Volunteer Recruitment Weekend in April, Young Volunteers' Training Week in August and Gigabash in October were cancelled. The project to clear the trackbed of the Dinas branch towards the bottom of the Llechwedd Quarry incline, and an assessment made regarding the possibility of it being reopened sometime in the future was also cancelled.

Various opportunities were taken by volunteer groups to carry out limited work in their areas of activity between the various periods of lockdown. Penrhyn Hostel remained closed as it qualified as a bunkhouse and could not be used during the pandemic. Thanks to the Hostel warden, limited accommodation was kept sanitized and available when restrictions allowed in Minffordd.

The Lineside team were able to gather a number of volunteers together to clear the brambles and vegetation from the line before the trains could start running in mid-July and the S&T department worked to ensure the signalling equipment would function at Rhiw Goch (which would see frequent use as part of the Covid service). The Jasper Group continued with maintenance of the pole route including the rectification of damage caused by woodpeckers. The Trackside Drains volunteers were in action clearing blockages and replacing drains in many locations and installed over 70 new chamber lids that had been constructed as a homework project in the garage of team members. The Friends of Tan y Bwlch Station worked to enhance the station and environs to make them and the Tea Rooms an attractive destination both for walkers and for those visiting by train. This proved to be invaluable when the railway was forced to terminate Covid-compliant trains there during the summer period.

Normally the Parks and Gardens volunteers look after the many flower tubs, window boxes and gardens up and down the line to ensure there is a splash of colour and to enhance the view from the carriage windows. But this time there was an urgent need to prepare for the recommencement of train services and a new group of local volunteers was assembled to recover the presentational standards lost during the period the railway was forced to close. A second group of local volunteers also formed the Friends of Penrhyn Station to help maintain high standards there.

Report of the Trustees
for the Year Ended 30 September 2020

OBJECTIVES AND ACTIVITIES

The last major project masterminded by Eileen Clayton MBE before she sadly passed away was the restoration of the Gweithdy, the corrugated iron building in the car park at Minffordd Station. The project was led by Alan Norton and involved a team of some 20 or so volunteers using a wide variety of skills. It was completed to a very high standard, the intention being to use it primarily as a warm and well-equipped workshop but is now so well appointed that it could also be used as an exhibition hall or meeting room. It was entered into the 2020 National Railway Heritage Awards and deservedly won the Volunteers' Award category. The result was announced at a virtual ceremony late in the year.

Project leader Alan Norton had previously started the refurbishment and repainting of the metal footbridge at Tan y Bwlch back in 2018 but had been diverted to the Gweithdy restoration project. He returned with his volunteer team to finish the job while the trains were running during the better weather of the summer months. The bridge now has new stainless steel mesh side-panels and a fresh colour scheme that looks very attractive.

The Electrical Group continued with installation work in the new carriage shed, including pulling in cables, hanging lighting, fixing power sockets and constructing distribution boards. It's a vast building and will take time to complete. The historic Kerr Stuart diesel 4415 is a restoration project being carried out following a Conservation Management Plan. It's proving to be a very complex job for the volunteers as some components are having to be remanufactured; it will take time to work through to completion.

The Waggon Tracks team made great progress by constructing and installing end doors on their storage shed. They also continued to advance the backlog of waggon repairs which when complete will return further waggons to the operational fleet.

The Archivists have continued to work through large quantities of paper records including personal collections provided by deceased members. They are running out of space to sort, digitise (using a new professional scanner), catalogue and store the papers and are looking for a convenient location for a suitable new building.

All the Trustees, Company directors and directors of the Societies are volunteers. The FR Society has a large team of volunteer officials including those who look after membership matters, production of the Magazine, financial matters and secretarial work. We offer our sincere thanks to them all for their dedicated help, and also to the members themselves for their loyal support.

Report of the Trustees
for the Year Ended 30 September 2020

FINANCIAL REVIEW

Financial position

The total operating surplus for the year amounted to £3,756 (2019: surplus of £646,160) and there were no transfers between the reserves in the year (2019: £6,437). Details of direct charitable expenditure can be found in the Statement of Financial Activities.

The Society's total fund balance at the end of 2020 was £1,321,894 (2019: £1,318,138).

Principal funding sources

Finance

With the pandemic and the initial lockdown throughout the UK, the COVID19 appeal was launched in conjunction with the FFRWHR Trust and Welsh Highland Railway Society. Whilst the overall appeal raised some £580,000, the FR Society fairly quickly raised £50,000 of this through the very kind and generous support of the members. The Society Board also made available £400,000 in loans that were paid over before trains starting running and the railway was able to earn some portion of income. These loans are interest free and were expected to be in place for at least one year. Soon after the year end, slightly under half was converted into grants covering a number of significant Permanent Way works carried out during the year.

The Society has seen a significant reduction in income during this financial year compared to prior years but this is primarily due to the significant legacies received in 2019 totalling £711,582 compared to £94,269 in the current year. We have seen a slight decrease in membership Subscriptions during the year - this is mainly due to slightly reduced annual membership renewals.

With the Hostel out of bounds for the majority of the year due to lockdown and then limited occupancy possible in the summer, it is understandable that the income is significantly down in 2020. This is particularly disappointing not to be able to have the usage having recently invested in the improvements.

Despite limited activity, the Society has continued to support projects where possible, even more necessary in this year with limited external income for the Festiniog Railway Company. The major project was the completion of the Welsh Pony project, for which the Society paid £55,710 in the year to fund the last steps of the £260,000 project, which of course had the pleasing outcome of seeing the loco in regular service once the COVID19 services commenced in the summer. It is worth recording that the Welsh Pony appeal has been one of the most successful appeals the Society has run, with a combination of donations, on train envelopes and standing orders raising the phenomenal sum, supplemented by Gift Aid.

Other restricted fund projects supports included £4,820 from the Lilla fund to complete aspects of the overhaul whilst fellow Quarry Hunslet Hugh Napier was retubed and had some chassis work supported, with £8,690 paid during the year. The relaying work at Rhiw Plas was supported by £11,753 from the Infrastructure fund to improve the trackbed and drainage there.

From the general fund, another major project supported was the continuation of the rebuilding of the Boston Lodge Blacksmiths Shop. Again, despite restrictions, good progress was eventually made with the new roof completed, chimneys rebuild and 'beehives' installed. The Society support in this year was £73,442. Other contributions from the general fund included £19,175 for points in Boston Lodge, £15,582 heritage waggons work, £17,810 for sleepers and baseplates. The Society helped to provide 'prime the pump' funding for the National Heritage Lottery Fund application for Boston Lodge, to the tune of £5,464.

Hostels

As would be expected, due to the COVID19 situation, the occupancy of the hostel has been severely reduced. Until March, we were following a slight upward trend until the pandemic struck and the hostel was closed for three months including all of April, May and June. Whilst we saw piecemeal lifting of the lockdown restrictions and ultimately the resumption of railway services in July, the requirements for social distancing meant Minffordd hostel could only be used at a fraction of its capacity due to the communal nature of the modules. At its peak in September, the hostel was at 20% occupancy with a grand total of 205 bed nights. This is a clear disappointment on the back of further investment of £20,260 in the quality of the hostel and we look forward to a pickup in 2021.

Report of the Trustees
for the Year Ended 30 September 2020

FINANCIAL REVIEW

Principal funding sources

Membership

Numbers and recognition

As in previous years, the majority of the Society's income came from the continued support of its much-valued members. The classification and breakdown of fee paying memberships are as follows:

	<u>2019</u>	<u>2020</u>
Full members	929	862
Senior citizens	1,535	1,567
Associate	209	198
Senior citizens associate	378	361
Family main	140	115
Family - spouse / partner	137	114
Family - child	253	214
Juniors	25	22
Volunteer students	57	28
Life	1,366	1,341
Covenanted life	78	83
Senior citizen life	92	97
Associate life	196	197
Honorary life members	8	6
Total membership	5,403	5,205

The Society's membership year runs from the 1st January to the end of December, which differs from its accounting year by three months. As a result, the Society accrues a proportion of its annual membership income so as to carry it over to the relevant accounting period.

The Society is also aware that some members have prepaid their membership by a varying number of years, and again, these identified amounts are carried over to the relevant accounting periods. The same approach is also undertaken for Diamond Jubilee Appeal donors who are provided with Society membership.

Life and associated life membership fees represent one off contributions by these members for continued lifelong membership. In order that the Society's continuing obligations to these members is adequately reflected in its financial statements, life membership income received is accrued and written off over an 10 year period, which is considered by the Trustees to produce a reasonable approximation of expected accrued benefit and matches the approach undertaken by two similar organisations.

Report on the membership numbers

Membership fell by 200 over the year (mostly in annual subs) compared to fluctuations of around 50/60 for the last few couple of years; we only have to go back a few years to see something comparable eg 2016/17 we lost 96. The number not renewing is not that much worse than some other years so we believe it is fair to say that existing members have mostly stuck with us through the year. Sadly the number of deceased members is double the normal rate and from the letters received a number sadly succumbed to Covid-19.

Where we have noticed a difference is in new member recruitment. The numbers joining us by various means (Web site, printed forms etc) remain comparable to last year apart from those joining as Instant Members at Harbour Station, down to 43 from 198 last year (which is not surprising given the significantly restricted footfall in the station this year).

We have only had one member making contact about any form of refund.

Investment policy and objectives

The Society has adopted a conservative investment plan, which ensures all surplus funds are invested in an interest-bearing account with NatWest bank. This risk-free approach involves regular rebalancing of investments between current and reserve accounts. The interest earned is allocated monthly across all funds in line with the balances in those funds at the beginning of the month.

Report of the Trustees
for the Year Ended 30 September 2020

FINANCIAL REVIEW

Reserves policy

The Society's policy is to maintain an adequate reserve so as to enable it to discharge its charitable objectives and meet its ongoing day to day requirements. This being the case, the trustees consider that twelve months of general fund expenditure is an appropriate level of reserve to meet the day-to-day running costs of the charity including maintaining production of the in-house magazine and support for the running of the volunteer hostels, with this amounting to a sum of £65,000.

The main need of course is to hold sufficient reserves for its core objective of supporting the Ffestiniog Railway, which includes collecting unrestricted, designated and restricted funds for a number of projects, administering and collecting moneys from the annual appeals as well as raising and maintaining sufficient general funds to meet its obligations for committed charitable objects. As at the end of 2020 the Society's main funds stood at:

Restricted funds: £751,913 (2019: £770,723)

The restricted funds held by the charity are only available for use on specific projects which are taken forward as resources become available to the Festiniog Railway Company. A detailed analysis of these projects is disclosed in note 16 of the financial statements.

General funds: £569,981 (2019: £547,415)

The Society's 'free' reserve for the year being a surplus of £569,972 (2019: a surplus of £547,406).

Although at first glance the uncommitted fund balance appears large, the difference is earmarked for a programme of grant applications from the Festiniog Railway Company over a four year period that meet the objectives of the charity.

Report of the Trustees
for the Year Ended 30 September 2020

EVENTS SINCE THE YEAR END AND FUTURE PLANS

As part of its response to the Coronavirus outbreak and the restrictions put in place during March 2020, the Society authorised that a loan facility of £250,000 be made available to the Festiniog Railway Company. This amount to come out of the Society's accumulated cash reserves, with this being in addition to a loan of £150,000 which was made to the Festiniog Railway Company at the beginning of 2020. Both loans are interest free and repayable on 30 September 2023.

As at the 30 September 2020, the amount outstanding as a result of the financial support provided to the Festiniog Railway Company amounted to £400,000.

Subsequent to the financial year end, the board of trustees agreed to convert £183,196 of the financial loan support into a grant, with this representing costs incurred by the Festiniog Railway Company infrastructure projects at Crossing Mawr, Spooners Hollow and Rhiw Plas.

No other post balance sheet events that require reporting or disclosing in the accounts have occurred since 30 September 2020.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a memorandum and articles of association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Induction and training of new trustees

As part of their induction, new Board members are made aware of their responsibilities as board members. The induction includes an introduction to the objectives, scope, and policies of the charitable funds. Charity Commission information on trustee responsibility and copies of the previous year's annual report and accounts are provided.

Report of the Trustees
for the Year Ended 30 September 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Relationship with third parties

At the year end the Society holds five ordinary shares and one preference share in the Festiniog Railway Company, which have all been bequeathed to the Society. This constitutes a minority share and does not give any control to the Society. The Society makes grants to the Festiniog Railway Company as part of the pursuance of the main activities of the Society.

The Society also has the right to nominate to the Ffestiniog Railway Trustees for appointment one place on the Board of the Festiniog Railway Company as part of a reciprocal arrangement.

The Society interacts with area and functional groups, which have the common aims of supporting the Ffestiniog Railway.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

Related party and key management personnel

The trustees consider the only key management personnel of the charity to be the board of trustees, who are in charge of directing, controlling, running and operating the charity on a day to day basis. Details of the trustees' remuneration, expenses and related party transactions are disclosed in a note to the accounts.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

00542449 (England and Wales)

Registered Charity number

1064178

Registered office

Harbour Station
Porthmadog
Gwynedd
LL49 9NF

Trustees

Mr H R L Wilson	Chairman
Mr G Cole	Deputy Chairman
Mr G P Bond	Treasurer
Mr D J Charlton	
Mr R M Collins	(resigned 22.3.20)
Mr P J Hawkins	
Mr D R Jones	
Mr S G Miller	
Mr N C Smith	
Mr M N Wolstenholme	
Dr A F Tucker	
Mr L G Graham-Taylor	(appointed 4.7.20)

Vice-Presidents

Rev Dr R F Buxton
Mr A Heywood
Mr T N Oulton
Mr A J Savage

Company Secretary

Mr J E Fenner

Report of the Trustees
for the Year Ended 30 September 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

Dunn & Ellis Cyf
Chartered Accountants/Statutory Auditors
Adeilad St David's Building
Stryd Lombard Street
Porthmadog
Gwynedd
LL49 9AP

Bankers

National Westminster Bank plc
2nd Floor
Bryn Eirias
Abergele Road
Colwyn Bay
LL29 8BY

Aldermore bank plc
Apex Plaza
Forbury Road
Reading
RG1 1AX

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

Ffestiniog Railway Society (Registered number: 00542449)

Report of the Trustees
for the Year Ended 30 September 2020

Approved by order of the board of trustees on 22 Nov 2021..... and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'H. R. L. Wilson', written over a horizontal dotted line.

Mr H R L Wilson - Trustee

**Report of the Independent Auditors to the Members of
Ffestiniog Railway Society (Registered number: 00542449)**

Opinion

We have audited the financial statements of Ffestiniog Railway Society (the 'charitable company') for the year ended 30 September 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2020 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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 charitable 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 Report of the Independent Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of
Ffestiniog Railway Society (Registered number: 00542449)**

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 Report of the Trustees.

We have nothing to report in respect of the following matters where 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our responsibilities for the audit of the financial statements

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

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

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 auditors' 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.



Mr Iorwerth Williams (Senior Statutory Auditor)

for and on behalf of
Dunn & Ellis Cyf
Chartered Accountants/Statutory Auditors
Adeilad St David's Building
Stryd Lombard Street
Porthmadog
Gwynedd
LL49 9AP

Date: 24 March 2021

Ffestiniog Railway Society

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 30 September 2020

		Unrestricted fund £	Restricted funds £	30.9.20 Total funds £	30.9.19 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations, legacies & gift aid	3	98,326	139,536	237,862	806,697
Charitable activities	6				
Hostel income		11,475	-	11,475	22,846
Subscriptions		108,048	-	108,048	117,825
Raising charitable funds	4	3,469	-	3,469	6,342
Investment income	5	982	443	1,425	1,636
Total		222,300	139,979	362,279	955,346
EXPENDITURE ON					
Raising charitable funds	7	44,670	-	44,670	51,840
Charitable activities	8				
Hostel expenses		42,793	-	42,793	58,384
Donations to the FR Company		103,666	158,789	262,455	190,347
Governance and support		8,605	-	8,605	8,615
Total		199,734	158,789	358,523	309,186
NET INCOME/(EXPENDITURE)		22,566	(18,810)	3,756	646,160
RECONCILIATION OF FUNDS					
Total funds brought forward		547,415	770,723	1,318,138	671,978
TOTAL FUNDS CARRIED FORWARD		569,981	751,913	1,321,894	1,318,138

The notes form part of these financial statements

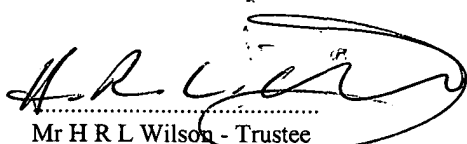
Ffestiniog Railway Society (Registered number: 00542449)

Balance Sheet
30 September 2020

	Notes	Unrestricted fund £	Restricted funds £	30.9.20 Total funds £	30.9.19 Total funds £
FIXED ASSETS					
Tangible assets	13	3	-	3	3
Investments	14	<u>6</u>	<u>-</u>	<u>6</u>	<u>6</u>
		9	-	9	9
CURRENT ASSETS					
Debtors	15	464,627	357,911	822,538	463,418
Cash at bank		<u>277,759</u>	<u>394,001</u>	<u>671,760</u>	<u>1,014,829</u>
		742,386	751,912	1,494,298	1,478,247
CREDITORS					
Amounts falling due within one year	16	(114,209)	-	(114,209)	(108,637)
NET CURRENT ASSETS		<u>628,177</u>	<u>751,912</u>	<u>1,380,089</u>	<u>1,369,610</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		628,186	751,912	1,380,098	1,369,619
CREDITORS					
Amounts falling due after more than one year	17	(58,204)	-	(58,204)	(51,481)
NET ASSETS		<u>569,982</u>	<u>751,912</u>	<u>1,321,894</u>	<u>1,318,138</u>
FUNDS	18				
Unrestricted funds				569,982	547,415
Restricted funds				<u>751,912</u>	<u>770,723</u>
TOTAL FUNDS				<u>1,321,894</u>	<u>1,318,138</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 22 March 2021 and were signed on its behalf by:


Mr H R L Wilson - Trustee


Mr G P Bond - Trustee

The notes form part of these financial statements

Ffestiniog Railway Society

Cash Flow Statement

for the Year Ended 30 September 2020

	Notes	30.9.20 £	30.9.19 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(344,494)</u>	<u>207,137</u>
Net cash (used in)/provided by operating activities		<u>(344,494)</u>	<u>207,137</u>
 Cash flows from investing activities			
Purchase of fixed asset investments		-	(1)
Interest received		<u>1,425</u>	<u>1,636</u>
Net cash provided by investing activities		<u>1,425</u>	<u>1,635</u>
 Change in cash and cash equivalents in the reporting period		(343,069)	208,772
Cash and cash equivalents at the beginning of the reporting period		<u>1,014,829</u>	<u>806,057</u>
 Cash and cash equivalents at the end of the reporting period		<u><u>671,760</u></u>	<u><u>1,014,829</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 30 September 2020

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	30.9.20	30.9.19
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	3,756	646,160
Adjustments for:		
Interest received	(1,425)	(1,636)
Increase in debtors	(359,120)	(366,221)
Increase/(decrease) in creditors	<u>12,295</u>	<u>(71,166)</u>
Net cash (used in)/provided by operations	<u>(344,494)</u>	<u>207,137</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.10.19	Cash flow	At 30.9.20
	£	£	£
Net cash			
Cash at bank	<u>1,014,829</u>	<u>(343,069)</u>	<u>671,760</u>
	<u>1,014,829</u>	<u>(343,069)</u>	<u>671,760</u>
Total	<u>1,014,829</u>	<u>(343,069)</u>	<u>671,760</u>

Notes to the Financial Statements
for the Year Ended 30 September 2020

1. STATUTORY INFORMATION

Ffestiniog Railway Society is a limited company, limited by guarantee as defined by the Companies Act 2006 and is registered in England and Wales. The company is also registered as a charity with the Charity Commission. The company's registered numbers and registered office address can be found under the "Reference and administrative details" section of the Report of the Trustees.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Income

Incoming resources

All incoming resources are included on the Statement of Financial Activities when it is probable that the income will be received and the amount can be measured reliably. This is in keeping with the requirements of the abovementioned accounting standards. The Society has thus developed the following policy for recognising incoming resources:

- a. it has entitlement,
- b. it is probable the amounts will be received, and
- c. when the amount can be reliably measured.

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 Society 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. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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.

Donations are generally recorded upon receipt.

Subscription and Society membership income are recognised according to the above criteria with the exception of amounts received and deemed to be received in advance, which are deferred until the income recognition criteria are met:

- Annual membership relating to three twelfth of the membership income is deferred until the subsequent period.
- Advanced membership receipts are deferred and released in the period to which they relate.
- Diamond Jubilee Appeal income is received for a 5 year membership period and is deferred and apportioned accordingly.
- Life and associated life membership income is deferred and amortised of a deemed 10 year period, which is commensurate to the policy adopted by to other similar organisations.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2020

2. ACCOUNTING POLICIES - continued

Expenditure

Resources expended, including primary purpose donations

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 a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

In order for donations to meet this recognition criteria, agreements in principle to provide funding for proposed projects are not recognised until valid expense claims are made to the Society, discussed by its board and approved for release.

Tangible fixed assets

Tangible fixed asset additions are capitalised if they cost more than £1,000 and can be used for more than one year. Qualifying assets are initially recognised at their cost price and are subsequently recorded at cost, less accumulated depreciation and less amounts recognised in respect of impairment.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

- Plant and machinery is depreciated over 5 years on a straight line basis.
- No depreciation has been charged in these accounts in respect of office equipment and Society Films, which have been depreciated in previous years to their nominal residual value.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Concessionary loans to the Festiniog Railway Company

From April 2020, as part of its response to the Coronavirus outbreak, the Society lent £250,000 to the Company. This was followed by a further £150,000 lent to the Company at the beginning in July 2020.

Both these loans are repayable on 30 September 2021 and are interest free. Repayment dates may be expected to be discussed further.

In line with the provisions within the accounting standards, these loans are recognised initially at cost, with repayments or conversions to grants being recognised in the relevant periods.

Voluntary assistance

The company has no employees and many of its members give freely of their time to carry out all of the activities of the company. These voluntary contributions are not included in the accounts.

Ffestiniog Railway Society

Notes to the Financial Statements - continued
for the Year Ended 30 September 2020

3. DONATIONS, LEGACIES & GIFT AID

	30.9.20	30.9.19
	£	£
Donations	108,930	66,238
Gift aid	34,663	28,877
Legacies	94,269	711,582
	<u>237,862</u>	<u>806,697</u>

4. RAISING CHARITABLE FUNDS

	30.9.20	30.9.19
	£	£
Magazine income	3,238	3,880
Sundry income	231	2,462
	<u>3,469</u>	<u>6,342</u>

5. INVESTMENT INCOME

	30.9.20	30.9.19
	£	£
Deposit account interest	1,425	1,636

6. INCOME FROM CHARITABLE ACTIVITIES

	30.9.20	30.9.19
	£	£
Hostel income	11,475	22,846
Subscriptions	74,947	77,828
Family & associate membership	11,965	13,603
Student & junior membership	848	1,440
Life membership	20,288	24,954
	<u>119,523</u>	<u>140,671</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2020

7. RAISING CHARITABLE FUNDS

Administrative expenses

	30.9.20	30.9.19
	£	£
Magazine	38,801	39,897
Registry expenses	1,655	1,925
Postage, printing & publicity	1,142	1,548
Sundries	3,072	8,470
	<u>44,670</u>	<u>51,840</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs £
Hostel expenses	42,793
Donations to the FR Company	<u>262,455</u>
	<u>305,248</u>

9. GOVERNANCE & SUPPORT COSTS

	Finance £	Governance costs £	Totals £
Governance and support etc.	<u>2,600</u>	<u>6,005</u>	<u>8,605</u>

10. AUDITORS' REMUNERATION

	30.9.20 £	30.9.19 £
Fees payable to the charity's auditors for the audit of the charity's financial statements	3,210	2,920
Accountancy costs	<u>2,795</u>	<u>2,540</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 September 2020 nor for the year ended 30 September 2019.

Trustees' expenses

There were no trustees' expenses paid neither for the year ended 30 September 2020 nor for the year ended 30 September 2019.

Notes to the Financial Statements - continued
for the Year Ended 30 September 2020

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES – 2019 SoFA
 (Breakdown of the 2019 column from page 14)

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations, legacies & gift aid	344,459	462,238	806,697
Charitable activities			
Hostel income	22,846	-	22,846
Subscriptions	117,825	-	117,825
Raising charitable funds	6,342	-	6,342
Investment income	<u>810</u>	<u>826</u>	<u>1,636</u>
Total	492,282	463,064	955,346
 EXPENDITURE ON			
Raising charitable funds	51,840	-	51,840
Charitable activities			
Hostel expenses	58,384	-	58,384
Donations to the FR Company	115,045	75,302	190,347
Governance and support	<u>8,615</u>	<u>-</u>	<u>8,615</u>
Total	233,884	75,302	309,186
 NET INCOME	258,398	387,762	646,160
Transfers between funds	<u>(6,437)</u>	<u>6,437</u>	<u>-</u>
Net movement in funds	251,961	394,199	646,160
 RECONCILIATION OF FUNDS			
Total funds brought forward	295,453	376,525	671,978
 TOTAL FUNDS CARRIED FORWARD	<u>547,414</u>	<u>770,724</u>	<u>1,318,138</u>

13. TANGIBLE FIXED ASSETS

	Plant and machinery £	Office equipment £	Society films £	Totals £
COST				
At 1 October 2019 and 30 September 2020	<u>1,100</u>	<u>1,536</u>	<u>409</u>	<u>3,045</u>
 DEPRECIATION				
At 1 October 2019 and 30 September 2020	<u>1,099</u>	<u>1,535</u>	<u>408</u>	<u>3,042</u>
 NET BOOK VALUE				
At 30 September 2020	<u>1</u>	<u>1</u>	<u>1</u>	<u>3</u>
At 30 September 2019	<u>1</u>	<u>1</u>	<u>1</u>	<u>3</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2020

13. TANGIBLE FIXED ASSETS - continued

The net book value at 30 September 2020 represents fixed assets used for the management and administration of the charity.

14. FIXED ASSET INVESTMENTS

	Fixed asset investments £
MARKET VALUE	
At 1 October 2019 and 30 September 2020	<u>6</u>
NET BOOK VALUE	
At 30 September 2020	<u>6</u>
At 30 September 2019	<u>6</u>

There were no investment assets outside the UK.

The above figures consist of:

- a. The Festiniog Railway Company 100 5% preference shares of £10 each - at cost - £1
- b. 5 ordinary shares of £1 each - at cost - £5

In the opinion of the trustees, the market value of the shares is similar to their cost.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.20 £	30.9.19 £
Gift aid debtor	33,930	63,982
Festiniog Railway Company loan	427,000	36,222
Legacies	357,911	357,911
VAT	<u>3,697</u>	<u>5,303</u>
	<u>822,538</u>	<u>463,418</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2020

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.20	30.9.19
	£	£
Trade creditors	-	7,391
Accrued FR Company donations	50,306	37,080
Dee & Mersey group	7,900	7,900
FR heritage group	14,048	14,034
Subscriptions and donations received in advance	35,950	36,772
Accrued expenses	<u>6,005</u>	<u>5,460</u>
	<u>114,209</u>	<u>108,637</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30.9.20	30.9.19
	£	£
Subscriptions and donations received in advance	<u>58,204</u>	<u>51,481</u>

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2020****18. MOVEMENT IN FUNDS**

	At 1.10.19 £	Net movement in funds £	At 30.9.20 £
Unrestricted funds			
General fund	547,415	22,567	569,982
Restricted funds			
Heritage fund	6,292	254	6,546
Volunteer hostel fund	1,551	2	1,553
Minffordd Station	-	2,707	2,707
Tan y Bwlch Station	3,043	3	3,046
Kids Training Week	8,852	1,033	9,885
Lineside vehicle	12,798	14	12,812
Blanche	2,096	3	2,099
England Locos	78,202	(55,710)	22,492
Lilla maintenance	5,851	(4,688)	1,163
Mountaineer	3,021	1,401	4,422
Kerr Stuart diesel 4415	15,023	(4,083)	10,940
James Spooner	49,677	4,742	54,419
Bug Boxes	50,087	42,434	92,521
First class interior	524	1	525
LAG drains	4,032	579	4,611
Archives	2,799	4,448	7,247
Waggon tracks	441	500	941
Permanent way	148,298	(11,598)	136,700
Health, safety and others	1,995	2	1,997
Ashover	4,032	5	4,037
Earl of Merioneth	276	1	277
Rhiw Goch signal box	1,153	1	1,154
Volunteer tools	144	1	145
Blaenau Ffestiniog Station	519	-	519
Hugh Napier	12,106	(4,135)	7,971
Heritage Buildings	357,911	(3,853)	354,058
Covid-19	-	7,125	7,125
	<u>770,723</u>	<u>(18,811)</u>	<u>751,912</u>
TOTAL FUNDS	<u><u>1,318,138</u></u>	<u><u>3,756</u></u>	<u><u>1,321,894</u></u>

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2020****18. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	222,300	(199,733)	22,567
Restricted funds			
Heritage fund	254	-	254
Volunteer hostel fund	2	-	2
Minffordd Station	2,707	-	2,707
Tan y Bwlch Station	3	-	3
Kids Training Week	973	60	1,033
Lineside vehicle	14	-	14
Blanche	3	-	3
England Locos	2,157	(57,867)	(55,710)
Lilla maintenance	132	(4,820)	(4,688)
Mountaineer	1,401	-	1,401
Kerr Stuart diesel 4415	4,026	(8,109)	(4,083)
James Spooner	4,742	-	4,742
Bug Boxes	42,434	-	42,434
First class interior	1	-	1
LAG drains	955	(376)	579
Archives	17,737	(13,289)	4,448
Waggon tracks	500	-	500
Permanent way	155	(11,753)	(11,598)
Health, safety and others	2	-	2
Ashover	5	-	5
Earl of Merioneth	1	-	1
Rhiw Goch signal box	1	-	1
Volunteer tools	1	-	1
Hugh Napier	4,555	(8,690)	(4,135)
Heritage Buildings	93	(3,946)	(3,853)
Covid-19	57,125	(50,000)	7,125
	<u>139,979</u>	<u>(158,790)</u>	<u>(18,811)</u>
TOTAL FUNDS	<u>362,279</u>	<u>(358,523)</u>	<u>3,756</u>

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2020****18. MOVEMENT IN FUNDS - continued**

Comparatives for movement in funds – (2019 figures)

	At 1.10.18 £	Net movement in funds £	Transfers between funds £	At 30.9.19 £
Unrestricted funds				
General fund	295,453	258,399	(6,437)	547,415
Restricted funds				
Heritage fund	6,336	(44)	-	6,292
Volunteer hostel fund	1,548	3	-	1,551
Minffordd Station	9,144	(15,581)	6,437	-
Tan y Bwlch Station	3,037	6	-	3,043
Kids Training Week	6,595	2,257	-	8,852
Lineside vehicle	12,772	26	-	12,798
Blanche	2,093	3	-	2,096
England Locos	97,604	(19,402)	-	78,202
Lilla maintenance	3,343	2,508	-	5,851
Mountaineer	2,927	94	-	3,021
Kerr Stuart diesel 4415	6,032	8,991	-	15,023
James Spooner	43,955	5,722	-	49,677
Bug Boxes	4,447	45,640	-	50,087
First class interior	963	(439)	-	524
LAG drains	3,891	141	-	4,032
Archives	1,992	807	-	2,799
Waggon tracks	9,973	(9,532)	-	441
Permanent way	147,993	305	-	148,298
Health, safety and others	1,990	5	-	1,995
Ashover	4,026	6	-	4,032
Earl of Merioneth	276	-	-	276
Rhiw Goch signal box	1,151	2	-	1,153
Volunteer tools	707	(563)	-	144
Blaenau Ffestiniog Station	518	1	-	519
Tunnel Portals	3,212	(3,212)	-	-
Hugh Napier	-	12,106	-	12,106
Heritage Buildings	-	357,911	-	357,911
	<u>376,525</u>	<u>387,761</u>	<u>6,437</u>	<u>770,723</u>
TOTAL FUNDS	<u>671,978</u>	<u>646,160</u>	<u>-</u>	<u>1,318,138</u>

Notes to the Financial Statements - continued
for the Year Ended 30 September 2020**18. MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	492,282	(233,883)	258,399
Restricted funds			
Heritage fund	89	(133)	(44)
Volunteer hostel fund	3	-	3
Minffordd Station	6,722	(22,303)	(15,581)
Tan y Bwlch Station	6	-	6
Kids Training Week	9,520	(7,263)	2,257
Lineside vehicle	26	-	26
Blanche	3	-	3
England Locos	4,494	(23,896)	(19,402)
Lilla maintenance	2,508	-	2,508
Mountaineer	94	-	94
Kerr Stuart diesel 4415	14,845	(5,854)	8,991
James Spooner	5,722	-	5,722
Bug Boxes	45,640	-	45,640
First class interior	1	(440)	(439)
LAG drains	774	(633)	141
Archives	2,272	(1,465)	807
Waggon tracks	16	(9,548)	(9,532)
Permanent way	305	-	305
Health, safety and others	5	-	5
Ashover	6	-	6
Rhiw Goch signal box	2	-	2
Volunteer tools	1	(564)	(563)
Blaenau Ffestiniog Station	1	-	1
Tunnel Portals	(8)	(3,204)	(3,212)
Hugh Napier	12,106	-	12,106
Heritage Buildings	357,911	-	357,911
	<u>463,064</u>	<u>(75,303)</u>	<u>387,761</u>
TOTAL FUNDS	<u>955,346</u>	<u>(309,186)</u>	<u>646,160</u>

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2020****18. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.10.18 £	Net movement in funds £	Transfers between funds £	At 30.9.20 £
Unrestricted funds				
General fund	295,453	280,966	(6,437)	569,982
Restricted funds				
Heritage fund	6,336	210	-	6,546
Volunteer hostel fund	1,548	5	-	1,553
Minffordd Station	9,144	(12,874)	6,437	2,707
Tan y Bwlch Station	3,037	9	-	3,046
Kids Training Week	6,595	3,290	-	9,885
Lineside vehicle	12,772	40	-	12,812
Blanche	2,093	6	-	2,099
England Locos	97,604	(75,112)	-	22,492
Lilla maintenance	3,343	(2,180)	-	1,163
Mountaineer	2,927	1,495	-	4,422
Kerr Stuart diesel 4415	6,032	4,908	-	10,940
James Spooner	43,955	10,464	-	54,419
Bug Boxes	4,447	88,074	-	92,521
First class interior	963	(438)	-	525
LAG drains	3,891	720	-	4,611
Archives	1,992	5,255	-	7,247
Waggon tracks	9,973	(9,032)	-	941
Permanent way	147,993	(11,293)	-	136,700
Health, safety and others	1,990	7	-	1,997
Ashover	4,026	11	-	4,037
Earl of Merioneth	276	1	-	277
Rhiw Goch signal box	1,151	3	-	1,154
Volunteer tools	707	(562)	-	145
Blaenau Ffestiniog Station	518	1	-	519
Tunnel Portals	3,212	(3,212)	-	-
Hugh Napier	-	7,971	-	7,971
Heritage Buildings	-	354,058	-	354,058
Covid-19	-	7,125	-	7,125
	<u>376,525</u>	<u>368,950</u>	<u>6,437</u>	<u>751,912</u>
TOTAL FUNDS	<u>671,978</u>	<u>649,916</u>	<u>-</u>	<u>1,321,894</u>

Ffestiniog Railway Society

Notes to the Financial Statements - continued **for the Year Ended 30 September 2020**

18. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	714,582	(433,616)	280,966
Restricted funds			
Heritage fund	343	(133)	210
Volunteer hostel fund	5	-	5
Minffordd Station	9,429	(22,303)	(12,874)
Tan y Bwlch Station	9	-	9
Kids Training Week	10,493	(7,203)	3,290
Lineside vehicle	40	-	40
Blanche	6	-	6
England Locos	6,651	(81,763)	(75,112)
Lilla maintenance	2,640	(4,820)	(2,180)
Mountaineer	1,495	-	1,495
Kerr Stuart diesel 4415	18,871	(13,963)	4,908
James Spooner	10,464	-	10,464
Bug Boxes	88,074	-	88,074
First class interior	2	(440)	(438)
LAG drains	1,729	(1,009)	720
Archives	20,009	(14,754)	5,255
Waggon tracks	516	(9,548)	(9,032)
Permanent way	460	(11,753)	(11,293)
Health, safety and others	7	-	7
Ashover	11	-	11
Earl of Merioneth	1	-	1
Rhiw Goch signal box	3	-	3
Volunteer tools	2	(564)	(562)
Blaenau Ffestiniog Station	1	-	1
Tunnel Portals	(8)	(3,204)	(3,212)
Hugh Napier	16,661	(8,690)	7,971
Heritage Buildings	358,004	(3,946)	354,058
Covid-19	57,125	(50,000)	7,125
	<u>603,043</u>	<u>(234,093)</u>	<u>368,950</u>
TOTAL FUNDS	<u>1,317,625</u>	<u>(667,709)</u>	<u>649,916</u>

Unrestricted Funds

See the Reserves Policy for full details.

Restricted Funds

The Volunteer Hostel Fund is for the hostel in Penrhyn.

The Heritage Fund was set up in 1998 as "partnership funding" with The Festiniog Railway Trust for the Ffestiniog Railway Heritage Project, encompassing carriages 15 and 16 and slate wagon restoration. The fund is used to support heritage minded projects.

The England locos Fund was set up to fund the rebuild of Prince and upon completion of that loco is the home of funds raised for the restoration to working condition of fellow England loco Welsh Pony.

Ffestiniog Railway Society

Notes to the Financial Statements - continued **for the Year Ended 30 September 2020**

18. MOVEMENT IN FUNDS - continued

The First Class Interior Fund has been set up as a result of the 2004 Life Member's Appeal to enhance first class accommodation on the Ffestiniog Railway.

The Lilla Maintenance Fund, set up in 1998, aims to raise money to contribute towards the ongoing maintenance of the locomotive.

The Mountaineer Fund exists to return the ALCO loco to traffic in as close as possible to its current form.

The Drains Fund has been set up following a large donation for the purposes of supplying materials for the future maintenance of the drainage infrastructure on the Ffestiniog Railway.

The Archives Fund has been set up as part of an appeal to improve the conditions for the preservation of the priceless collection of Ffestiniog Railway archive information.

The Trackbeds and Embankments Fund has been set up as a result of a legacy specified for that purpose.

Others include funds for health and safety projects and volunteer entertainment equipment.

General Fund Appropriations

Donations to the Festiniog Railway Company in respect of:

	<u>2020</u>	<u>2019</u>
BL fence	-	£7,862
BL points	£19,175	-
Horticulture centre	-	£5,658
Blacksmiths	£19,549	£73,442
Electrics	-	£3,816
Fairlie / DE boiler	-	£11,443
Heritage waggons	£15,582	£2,889
Hostel	£20,260	-
Plas Smart	-	£575
		£180
Slate bench	-	£135
Sundry	-	-
Baseplates/Sleepers	£17,964	-
Boston Lodge NHLF	£5,464	-

19. RELATED PARTY TRANSACTIONS

As stated in the principal activities section of the trustees' report, the purpose of the company is to support the restoration of the Ffestiniog Railway. For many years, there has been an arrangement whereby the company nominated one director onto the board of The Festiniog Railway Company and that company nominated a person to sit on the board of this company. During the year, the Society nominee was Sam Miller. Sam Miller did not receive any benefit from the Society during the year.

During the year the Ffestiniog Railway Society made donations totalling £262,455 (2019: £190,347) to The Festiniog Railway Company. The makeup of which being made up of current year donations amounting to £262,455 (2019: £154,963) and year end accruals amounting to £nil (2019: £35,384).

The Society also had transactions with related groups and the FR Co during the year, and at the year end the Festiniog Railway Company amount owed to the Society stood at £427,000 (2019: £36,222), with this amount being included within debtors on the balance sheet. The Society also retained funds on behalf of the Dee & Mersey and FR Heritage groups, with the total held within creditors amounting to £21,948 (2019: £21,934).

20. POST BALANCE SHEET EVENTS

As noted in the accounts during 2020, the Ffestiniog Railway Society loaned £400,000 to the Festiniog Railway Company to support cash flow during the COVID pandemic. This loan is interest free, without security and repayable in September 2021.

Subsequent to the financial year end, the board of trustees agreed to convert £183,196 of the financial loan support into a grant, with this representing costs incurred by the Festiniog Railway Company infrastructure projects at Crossing Mawr, Spooners Hollow and Rhiw Plas.