

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.

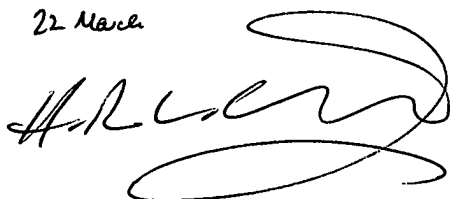
The Society AGM was also a casualty and had to be converted to a virtual event and the accompanying weekend event for members abandoned. It was unfortunate that there were no presentations where we were able to recognise the efforts of volunteers. In recent years our General Manager has always tried 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

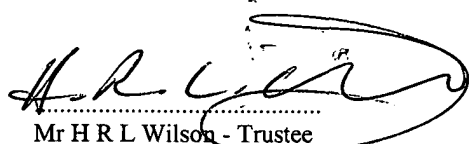
Ffestiniog Railway Society (Registered number: 00542449)


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		 <u>(343,069)</u>	 <u>208,772</u>
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><u>362,279</u></u>	<u><u>(358,523)</u></u>	<u><u>3,756</u></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.