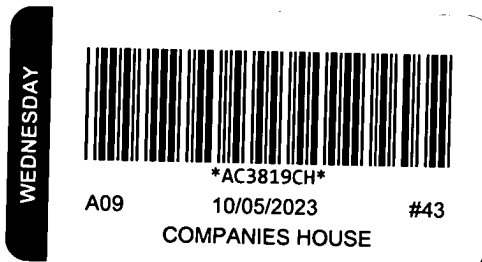


Report of the Trustees and
Financial Statements for the Year Ended 30 September 2022
for
Ffestiniog Railway Society



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

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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

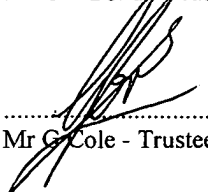
Ffestiniog Railway Society (Registered number: 00542449)**Balance Sheet****30 September 2022**

	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	(138,080)	(7,528)	(145,608)	(86,980)
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	(66,356)	-	(66,356)	(69,258)
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>
		<hr/>	<hr/>
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	<u>1,479</u>	<u>35</u>	<u>1,514</u>
Total	<u>455,218</u>	<u>180,039</u>	<u>635,257</u>
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	<u>9,266</u>	<u>-</u>	<u>9,266</u>
Total	<u>322,421</u>	<u>41,487</u>	<u>363,908</u>
NET INCOME	132,797	138,552	271,349
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>569,982</u>	<u>751,912</u>	<u>1,321,894</u>
TOTAL FUNDS CARRIED FORWARD	<u>702,779</u>	<u>890,464</u>	<u>1,593,243</u>

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	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>

**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.