

Charity registration number 1064178 (England and Wales)

Company registration number 00542449

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

FFESTINIOG RAILWAY SOCIETY

LEGAL AND ADMINISTRATIVE INFORMATION

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

FFESTINIOG RAILWAY SOCIETY

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FFESTINIOG RAILWAY SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

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

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

Objectives and activities

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

Public benefit

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

Achievements and performance

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

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

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

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

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

FFESTINIOG RAILWAY SOCIETY

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

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

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

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

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

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

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

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

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

FFESTINIOG RAILWAY SOCIETY

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

FOR THE YEAR ENDED 30 SEPTEMBER 2024

Financial review

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

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

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

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

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

The breakdown of membership numbers is as follows:

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

FFESTINIOG RAILWAY SOCIETY

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

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

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

Reserves policy

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

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

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

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

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

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

Fundraising

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

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

Plans for future periods

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

Structure, governance and management

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

FFESTINIOG RAILWAY SOCIETY

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

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

Mr G Bond	
Mr J P Bowley	(Resigned 4 May 2024)
Mr G Cole	
Mr R D Bentley	
Mr C M Tucker	
Ms C M Knowles	
Mr L Graham-Taylor	
Dr A F Tucker	(Resigned 4 May 2024)
Mr N C Smith	
Mr D R Jones	(Resigned 4 May 2024)
Mr P J Hawkins	
Mr B W Frith	(Appointed 4 May 2024)

Recruitment and appointment of trustees

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

Induction and training of trustees

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

Relationship with third parties

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

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

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

Risk management

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

Relationship with related parties

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

Auditor

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

FFESTINIOG RAILWAY SOCIETY

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

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

Mr G Cole
Chairman

15 March 2025

FFESTINIOG RAILWAY SOCIETY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2024

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

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

In preparing these financial statements, the trustees are required to:

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

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

FFESTINIOG RAILWAY SOCIETY

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF FFEESTINIOG RAILWAY SOCIETY

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

FFESTINIOG RAILWAY SOCIETY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF FFESTINIOG RAILWAY SOCIETY

Responsibilities of trustees

As explained more fully in the statement of Trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

As part of our planning process

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

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

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

FFESTINIOG RAILWAY SOCIETY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF FFESTINIOG RAILWAY SOCIETY

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Susan Harris MA ACA (Senior Statutory Auditor)

For and on behalf of Champion Accountants LLP, Statutory Auditor

Chartered Accountants

2nd Floor Refuge House

33-37 Watergate Row

Chester

CH1 2LE

15 March 2025

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

FFESTINIOG RAILWAY SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2024

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

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

FFESTINIOG RAILWAY SOCIETY

BALANCE SHEET

AS AT 30 SEPTEMBER 2024

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

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

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

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

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

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

Mr G Cole
Chairman

Company registration number 00542449 (England and Wales)

FFESTINIOG RAILWAY SOCIETY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

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

FFESTINIOG RAILWAY SOCIETY

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

1 Accounting policies

Charity information

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

1.1 Accounting convention

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

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

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

1.2 Going concern

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

1.3 Charitable funds

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

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

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

1.4 Income

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

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

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Society that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

FFESTINIOG RAILWAY SOCIETY

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

1 Accounting policies

(Continued)

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

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

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.5 Expenditure

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

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

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

1.6 Tangible fixed assets

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

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

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

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

1.7 Fixed asset investments

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

FFESTINIOG RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

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

1.9 Cash and cash equivalents

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

1.10 Taxation

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

1.11 Concessionary loans to the Festiniog Railway Company

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

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

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

1.12 Voluntary assistance

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

2 Critical accounting estimates and judgements

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

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

FFESTINIOG RAILWAY SOCIETY

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

3 Income from donations and legacies

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

4 Income from charitable activities

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

5 Income from investments

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

FFESTINIOG RAILWAY SOCIETY

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

6 Expenditure on charitable activities

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

7 Support costs allocated to activities

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

8 Trustees

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

FFESTINIOG RAILWAY SOCIETY

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

9 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Total	-	-

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

10 Taxation

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

11 Tangible fixed assets

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

12 Fixed asset investments

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

FFESTINIOG RAILWAY SOCIETY

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

12 Fixed asset investments

(Continued)

There were no investment assets outside the UK.

The above figures consist of:

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

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

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

13 Debtors

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

14 Creditors: amounts falling due within one year

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

15 Creditors: amounts falling due after more than one year

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

16 Deferred income

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

Deferred income is included in the financial statements as follows:

FFESTINIOG RAILWAY SOCIETY

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

16 Deferred income

(Continued)

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

FFESTINIOG RAILWAY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

17 Restricted funds

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

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

FFESTINIOG RAILWAY SOCIETY

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

17 Restricted funds

(Continued)

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

18 Unrestricted funds

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

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

FFESTINIOG RAILWAY SOCIETY

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

19 Analysis of net assets between funds

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

20 Related party transactions

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

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

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

FFESTINIOG RAILWAY SOCIETY

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

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

22 Analysis of changes in net funds

The charity had no material debt during the year.