



FURNESS RAILWAY TRUST

Registered Charity No. 1163073

**Trustees' Annual Report and Accounts
2021**

FURNESS RAILWAY TRUST

(Registered Charity No. 1163073)

Address for correspondence:

Meadowside,
105, Station Road,
Cark-in-Cartmel,
Grange-over-Sands,
Cumbria
LA11 7NY

Annual Report of the Trustees for 2021

1. Governance and Administration

The business of the Furness Railway Trust, a Charitable Incorporated Organisation (CIO), is managed by Trustees in accordance with a constitution approved by the Charity Commission. The Chairman is responsible for coordinating the day to day management of the affairs of the Trust. One third of the Trustees retire at each Annual General Meeting, in accordance with the constitution. A briefing document is given to new Trustees, which outlines the history of the Trust and its current obligations. The document also details the responsibilities of Trustees as defined by the Charity Commission.

The Trustees meet on a number of occasions throughout the year in order to manage the Trust's affairs and to agree required courses of action.

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued on the 14th July 2014, Financial Reporting Standard 102, and with the Charities Act 2011.

The Trust's banker is The Co-operative Bank, PO Box 250, Southway, Skelmersdale WN8 6WT.

The Trust's Independent Examiner is J. Priestley ACMA, CGMA, 24 Scarborough Road, St. Annes, Lytham St. Annes, Lancashire FY8 3ES

2. Trustees and Committee Members

The following were the appointed Trustees of the Furness Railway Trust during 2021:

K. Brewer
J. Dixon
J.M. Kay
A. Middleton
T.D. Owen (Chairman)
A.M. Rigg
D.A. Rimmer
N.R. Smith
P. van Zeller

The above Trustees were responsible for preparing and approving this report.

3. Objectives and Activities

A summary of the Object and Powers of the Furness Railway Trust is attached as Appendix A at the end of this report.

The principal activities of the Furness Railway Trust (FRT) during 2021 were the acquisition, restoration and operation of historic items of rolling stock. The Trustees worked to address the long term objective of the establishment of a railway museum, with appropriate facilities for the display, storage and restoration of railway rolling stock and associated equipment.

In shaping the Trust's objectives, the Trustees gave due consideration to the Charity Commission's guidance on public benefit with the object of advancing education through its work, both in the short and longer term. The Trustees also took into account the need to maximise public accessibility to its assets, some of which are unique and of major historical importance, including affordability wherever possible.

4. Achievements and Performance

The Covid-19 pandemic continued to impact significantly on the Trust's activities and financial performance during 2021. There was a partial recovery in rolling stock hire income, with Hunslet 'Austerity' 0-6-0ST locomotive *Cumbria* on hire to the Embsay & Bolton Abbey Steam Railway through the year, whilst former Great Western Railway 0-6-2T locomotive *No. 5643* spent 2021 on hire to the East Lancashire Railway.

The ten year overhaul at Preston of Furness Railway locomotive *No. 20*, Britain's oldest working standard gauge steam locomotive, was completed in October 2021. The work had taken considerably longer than was anticipated at the outset, because of the restrictions imposed during the pandemic.

The overhaul of Peckett locomotive 0-4-0ST *Caliban* has also been delayed, but the end of the year saw the locomotive re-wheeled after the refurbishment of its axleboxes was completed.

The long term restoration of former Great Western Railway 4-6-0 'Hall' class locomotive *No. 4979 Wootton Hall* has continued, albeit also slowed due to the pandemic. The completion of the rolling chassis for the tender after extensive work was a notable milestone, whilst new boiler cladding continued to be cut and fitted.

The restoration of the Trust's diesel shunter 0-4-0DM *Fluff* was paused during the third lockdown but the ongoing fabrication of new steelwork for the superstructure continued for the rest of the year. The Trustees continue to search for a replacement engine, the original being beyond repair.

The pandemic has delayed any start of the restoration of former Furness Railway locomotive *No. 25* of 1865, but work did resume on the ongoing overhaul of Great Eastern Railway Royal Saloon *No. 5*, following the completion of work on Furness Railway *No. 20*. Initial work focused on repairs to the roof and its fittings.

Throughout the pandemic, the priority of the Trustees has been to ensure the safety of the Trust's volunteer workforce through undertaking statutory risk assessments and implementing Covid secure working practices. The Trustees are grateful to all the Trust's volunteers for their understanding, acceptance and adherence to these procedures.

The Trustees' annual Risks and Vulnerabilities Review had previously identified the need to attract more volunteers. Following a joint recruitment day with the Ribble Steam Railway, new volunteers were recruited but further recruitment is planned in 2022.

All activities of the Furness Railway Trust are undertaken by volunteers. There are no paid staff employed by the Trust.

5. Financial Position

Total income, at £42,269, was double that of 2020 when the COVID-19 lockdowns had a severe impact on heritage railway operations, but still well below the £72,091 of 2019. Rolling Stock Hire was almost three times greater than the previous year, reflecting the partial recovery in the leisure market seen during 2021. There was also a recovery in the income from fundraising activities such as the sales stand and the folk group *Live Steam*.

Given the deficit seen in 2020, and recognising the ongoing financial impact of the pandemic on finances, the Trustees continued to be cautious with expenditure. Expenditure on Locomotive Restoration, Maintenance and Repairs of £11,142 was one third of that incurred in 2020.

Expenses of £102 incurred by two Trustees in attending to on-hire locomotives were kindly gift aided back to the Trust.

Overall, with the total outgoings of £28,434, there was an excess of income over expenditure of £13,835, increasing net funds by that amount to £514,373.

6. Reserves Policy

The Trustees believe that, despite the continuing difficulties caused by the pandemic, the Furness Railway Trust's current finances continue to be satisfactory. There is an ongoing need to maintain an appropriate level of reserves to provide for future overhauls of the Trust's operational locomotives and coaches. Fundraising will continue primarily for this purpose and also to fund the longer term restoration projects.

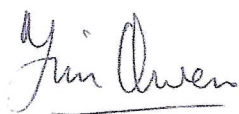
7. Looking Forward: COVID-19 and rising energy costs

It would appear that the leisure market still has some way to go to resume pre-pandemic levels of activity. Further, rising global energy costs are impacting on coal and diesel prices, forcing increased costs on heritage railways which are now starting to cut back on some operations. It looks likely that there will be a continuing detrimental impact on income to the Trust, so expenditure controls will remain in place to ensure that reserves are maintained for future overhauls whilst allowing a measured level of progress on key restoration projects.

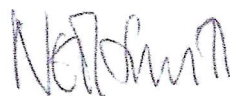
The FRT's Trustees will continue to protect Trust's assets, finances and the health and wellbeing of its volunteer workforce during this challenging period of time.

Finally, the Trustees again wish record their grateful thanks to members and followers of the FRT for their continued support and generosity during 2021.

The Trustees declare that they have approved the Trustees' Report above.



Tim Owen
Chairman
5th April 2022



Neil Smith
Secretary
5th April 2022

SUMMARY OF OBJECT AND POWERS

The object of the CIO is to establish a railway museum for the benefit of the public and the CIO has power to do anything to further its object, in particular, the power to:

- (a) acquire and preserve railway locomotives, railway carriages and other items of rolling stock and associated equipment.
- (b) restore and maintain such items, house them and put them on display; loan or hire them so that they may be used, if practicable, and make suitable arrangements for their continued preservation as far as is possible.
- (c) sponsor the publication of books, articles etc. containing information about these items and rolling stock and railways generally, and otherwise to promote interest in these subjects.
- (d) Procure contributions to the CIO by personal or written appeals, public meetings or otherwise.
- (e) employ and remunerate such staff as are necessary for carrying out the work of the CIO.
- (e) buy, take on lease or in exchange, hire or otherwise acquire any property and to maintain and equip it for use.
- (g) sell, lease or otherwise dispose of all or any part of the property belonging to the CIO.
- (h) borrow money and to charge the whole or any part of its property as security for the repayment of the money borrowed.

FURNESS RAILWAY TRUST

Registered Charity No. 1163073

Accounts for the 12 Months Ended 31st December 2021

Statement of Financial Activities

Notes	2021 Unrestricted Funds £	2020 Total Funds £
INCOMING RESOURCES		
Incoming Resources		
3 Income and Endowments from:		
4 Donations/Legacies and Tax Recoverable	8,323	9,818
5 Charitable Activities	33,202	11,018
6 Other Trading Activities	739	34
7 Investments	5	118
Other	-	-
Total Incoming Resources	42,269	20,988
Less RESOURCES EXPENDED		
8 Expenditure on:		
9 Raising Funds	816	349
10 Charitable Activities	27,401	47,132
11 Governance	217	218
Total Resources Expended	28,434	47,699
Net Income/(Expenditure)	13,835	-26,711
Transfers Between funds	-	-
Net Movement in Funds	13,835	-26,711
Reconciliation of Funds		
Total Funds Brought Forward	500,538	527,249
Total Funds Carried Forward	514,373	500,538

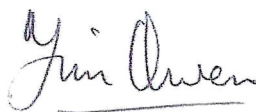
FURNESS RAILWAY TRUST

Registered Charity No. 1163073

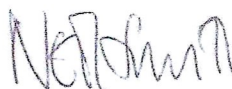
Notes

Balance Sheet as at 31st December 2021

	2021 Unrestricted Funds £	2020 Total Funds £
Fixed Assets:		
13 Tangible Assets	189,020	195,426
14 Heritage Assets	106,296	106,296
Total Fixed Assets	295,316	301,722
Current Assets:		
15 Stock	1,848	2,038
16 Debtors	21,554	6,272
Cash at Bank	206,355	199,367
Cash in Hand	60	60
Total Current Assets	229,817	207,737
17 Creditors: amounts due within one yr.	(8,150)	(6,022)
Net Current Assets/(Liabilities)	221,667	201,715
Total Assets less Current Liabilities	516,983	503,437
17 Creditors: amounts due after one yr.	(2,610)	(2,899)
Total Net Assets	514,373	500,538
Funds of the Charity:		
Total Funds Brought Forward	500,538	527,249
Add Net Incoming Resources	13,835	(26,711)
Total Funds as at 31.12.2021	514,373	500,538



Tim Owen
Chairman
5th April 2022



Neil Smith
Secretary
5th April 2022

FURNESS RAILWAY TRUST

Registered Charity No. 1163073

Notes to the Accounts –12 Months Ended 31st December 2021

Note 1 **Basis of Accounting**

The accounts are for the sixth full year of operation of the new Charitable Incorporated Organisation Furness Railway Trust 1163073 which took over the assets and operations of the unincorporated Furness Railway Trust Registered Charity 1005211 from the 1st December 2015.

The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16th July 2014, Financial Reporting Standard 102, and with the Charities Act 2011.

The accounts have been prepared on the basis that the unincorporated and CIO charities have merged, as defined in the Statement of Recommended Practice.

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes(s) to these accounts.

The Furness Railway Trust constitutes a public benefit entity as defined by FRS 102

These accounts have been prepared on the basis that the Furness Railway Trust is a going concern after taking into account the current and anticipated levels of activity,

Note 2 **Accounting Policy**

Income

Incoming Resources, including grants, are accounted for on a receivable basis.

The value of donated goods is recognised only on sale because of the practicalities of measuring the value of such goods.

Goods donated for ongoing use by the charity are recognised as tangible assets and included in the Statement of Financial Activities as incoming resources when receivable.

The value of any voluntary help received is not included in the accounts but is described in the Trustees' Annual Report.

Expenditure

Resources Expended are accounted for on an accruals basis and include recognition of liabilities arising from legal or constructive obligation which commits the organisation to expenditure.

Certain support costs (Insurance and Printing, Stationery, Postage) are apportioned between activities based, where possible, on known cost drivers.

Governance Costs are shown separately for the purpose of clarity and, contrary to the SORP, not spread across activities because they are difficult to allocate and are not material in size.

Assets

Tangible and fixed assets for use by the charity

A long term shed lease, purchased in 2019, is being depreciated on a straight line basis over 50 years.

A portable building and fixed safety gear are being depreciated on a straight line basis over 15 years.

Plant and Equipment assets purchased which can be used for more than one year are capitalised and depreciated on a straight line basis at a rate of 25% per annum.

Assets purchased after 1st December 2015 are only capitalised if they cost £200 or more.

Heritage Assets

Heritage Assets are shown on the balance sheet at cost or, in the case of donated items, a realistic value estimated at the time of donation. An exception has been made for Furness Railway No. 20, built 1863. This historic locomotive is unique, difficult to value and is not included; there has been approximately £148,000 spent on it. The Trust's Collection and Disposal Policy states that there "should be a presumption against disposal." Grants received of £111,000 would potentially be repayable if this item was sold.

Stocks

Stocks are valued at the lesser of cost or recoverable value.

Debtors

Debtors (including trade debtors and loans receivable) are measured on initial recognition at settlement amount after any trade discounts. Subsequently they are measured at the cash or other consideration expected to be received.

Creditors

Creditors are measured at transaction price.

Note	Analysis of Income	2021	2020
		Unrestricted Funds £	Total Funds £
Note 4	Donations and Legacies		
	Donations and Gifts	5,432	6,604
	Legacies	-	-
	Gift Aid	1,491	1,771
	Membership Subscriptions	1,400	1,443
	Total	8,323	9,818
Note 5	Charitable Activities		
	Rolling Stock Hire	31,702	11,018
	Book Sales	0	0
	Other Income	1,500	0
	Total	33,202	11,018
Note 6	Other Trading Activities		
	Fundraising Sales	228	0
	Proceeds from <i>Live Steam</i>	184	0
	Donated Goods	205	0
	Workwear	122	35
	Total	739	35
Note 7	Investment Income		
	Bank Interest Received	5	118
	Total	5	118
	Other Income	0	0
	Total	0	0

Note 8 Analysis of Expenditure

	2021 Unrestricted Funds £	2020 Total Funds £
Note 9 Expenditure on Raising Funds		
Sales Goods	70	0
Insurance	410	349
Trust Promotion	337	0
Total	817	349
Note 10 Expenditure on Charitable Activities		
Locomotive Restoration	4,445	23,423
Locomotive Repair/Maintenance	6,696	12,181
Coach Restoration	776	0
Building Maintenance	8	207
Transport Costs	2,790	0
Books	0	0
Magazine Publication	1,485	990
Insurance	2,365	1,993
Utilities	1,498	940
Membership Subscriptions	260	160
Travelling Expenses	114	0
Personal Safety Equipment	40	323
Workwear	120	31
Printing, Stationery, Postage etc	398	257
Depreciation of Fixed Assets	6,406	6,627
Total	27,401	47,132
Note 11 Governance Costs		
Independent Examination	215	215
Printing, Stationery, Postage etc	2	3
Total	217	218

Note 12 Expenditure Details

Insurance, amounting to £2,775 was purchased (£2,342 in 2020) which includes property and public liability insurance for certain activities (including funds generation) undertaken by the Trust, its Trustees and Members.

The work of the charity in restoring, maintaining and assisting in the operation of its assets is, in the main, carried out by volunteers with only specialist activities contracted out.

No staff were employed in either 2021 or 2020.

No fee for the Independent Examination of the 2021 accounts has been included. The cost of examining the 2020 accounts was £215 which is included in the 2021 accounts.

Note 13 Tangible Fixed Assets

	2021 Building Lease £	2021 Mess Room/ Safety Eqmt £	2021 Plant & Equipment £	2021 Total £
Cost				
At 1st January 2021	190,000	10,749	12,677	213,426
Additions	-	-	-	-
At 31st December 2021	190,000	10,749	12,677	213,426
Depreciation				
At 1st January 2021	7,600	1,899	8,501	18,000
Depreciation	3,800	717	1,889	6,406
At 31st December 2021	11,400	2,616	10,390	24,406
Net Book Value at 1st January 2021	182,400	8,850	4,176	195,426
Net book Value at 31st December 2021	178,600	8,133	2,287	189,020

Tangible Fixed Assets (Cont.)	2020	2020	2020	2020
Comparative figures for 2020	Building	Mess Room/ Safety Eqmt	Plant & Equipment	Total
	Lease			
	£	£	£	£
Cost				
At 1st January 2020	190,000	10,749	11,472	212,221
Additions	-	-	1,205	1,205
At 31st December 2020	190,000	10,749	12,677	213,426
Depreciation				
At 1st January 2020	3,800	1,183	6,390	11,373
Depreciation	3,800	716	2,111	6,627
At 31st December 2020	7,600	1,899	8,501	18,000
Net Book Value at 1st January 2020	186,200	9,566	5,082	200,848
Net Book Value at 31st December 2020	182,400	8,850	4,176	195,426

Note 14	Heritage Assets	2021	2021	2021	2021
		Locomotives	Other Rolling Stock	Other Artefacts	Total
		£	£	£	£
Cost					
At 1st January 2021		79,595	22,861	3,840	106,296
Additions/Disposals		-	-	-	-
At 31st December 2021		79,595	22,861	3,840	106,296

No depreciation has been applied to the Heritage Assets. Therefore the book values at 31st December 2021 are as above.

Comparative figures for 2020	2020	2020	2020	2020
	Locomotives	Other Rolling Stock	Other Artefacts	Total
	£	£	£	£
Cost				
At 1st January 2020	79,595	22,861	3,840	106,296
Additions/Disposals	-	-	-	-
At 31st December 2020	79,595	22,861	3,840	106,296

Five Year Summary of Heritage Asset Transactions

A locomotive, valued at £20,000, was donated in 2017.

A coach was disposed of during 2017 with a gain of £20,833.

There have been no other purchases, donations, disposals or impairments to Heritage Assets during the last five years.

Note 15 Stocks

	2021 Stock £	2020 Stock
Charitable Activities		
Opening	9	9
Added in Period	0	0
Expensed in Period	0	0
Closing	<u>9</u>	<u>9</u>
Other Trading Activities		
Opening	2,030	1,829
Added in Period	0	232
Expensed in Period	191	31
Closing	<u>1,839</u>	<u>2,030</u>
Total Closing Stock This year	<u>1,848</u>	<u>2,039</u>
Total Closing Stock Previous Year	<u>2,039</u>	<u>1,837</u>

Note 16 Analysis of Debtors

	2021 £	2020 £
Trade Debtors	17,524	2,143
Prepayments and Accrued Income	1,492	2,392
Other Debtors	2,538	1,737
Total	<u>21,554</u>	<u>6,272</u>

**Note 17 Creditors and Accruals
Analysis of Creditors**

	Amounts Falling Due Within One Year		Amounts Falling Due After One Year	
	2021 £	2020 £	2021 £	2020 £
Trade Creditors	3,880	3,377	-	-
Accruals & Deferred Income	672	955	2,610	2,899
Other Creditors	3,598	1,690	-	-
Total	<u>8,150</u>	<u>6,022</u>	<u>2,610</u>	<u>2,899</u>

Note 18 Deferred Income

Income was deferred in respect of some membership subscriptions which were paid in advance and also a vehicle hire fee which covered two financial years.

Movement in Deferred Income Account

	2021		2020	
	Membership Subscriptions £	Vehicle Hire £	Membership Subscriptions £	Vehicle Hire £
Balance at the Start of the Reporting Period	3,525	329	3,430	641
Amounts Added in Current Period	478	0	842	329
Amounts Released to Income from Prev Periods	721	329	747	641
Balance at End of Reporting Period	<u>3,282</u>	<u>0</u>	<u>3,525</u>	<u>329</u>

Note 19 Charity Funds

Details of Movements in Funds in 2021

Purpose		Balance at		Expenditure	Transfers	Balance at
		01.01.2021	Income			31.12.2021
		£	£	£	£	£
Restricted Funds		-	-	-	-	-
Total Restricted Funds		-	-	-	-	-
Unrestricted Funds						
<i>Wootton Hall</i>	Locomotive restoration	2,912	1,802	4,664	-	50
<i>Caliban</i>	Locomotive restoration	4,746	834	0	-	5,580
<i>FR 25</i>	Locomotive restoration	1,300	0	0	-	1,300
<i>Fluff</i>	Locomotive restoration	1,468	125	100	-	1,493
<i>NLR Brake</i>	Carriage restoration	1,237	0	0	-	1,237
Total Designated Funds		11,663	2,761	4,764	-	9,660
Total Non Designated Funds		488,875	39,508	23,670	-	504,713
Total Unrestricted Funds		500,538	42,269	28,434	-	514,373
Total All Funds		500,538	42,269	28,434	-	514,372

Details of Movements in Funds in 2020

Purpose		Balance at		Expenditure	Transfers	Balance at
		01.01.2020	Income			31.12.2020
		£	£	£	£	£
Restricted Funds		-	-	-	-	-
Total Restricted Funds		-	-	-	-	-
Unrestricted Funds						
<i>Wootton Hall</i>	Locomotive restoration	1,432	4,923	3,443	-	2,912
<i>Caliban</i>	Locomotive restoration	5,153	536	943	-	4,746
<i>FR 25</i>	Locomotive restoration	1,040	260	-	-	1,300
<i>Fluff</i>	Locomotive restoration	896	748	176	-	1,468
<i>NLR Brake</i>	Carriage restoration	1,238	-	-	-	1,237
Total Designated Funds		9,759	6,467	4,562	-	11,663
Total Non Designated Funds		517,490	14,522	43,137	-	488,875
Total Unrestricted Funds		527,249	20,989	47,699	-	500,538
Total All Funds		527,249	20,989	47,699	-	500,538

Note 20 Transactions with Trustees and Related Parties

None of the trustees have been paid any remuneration or received any other benefits.
Two trustees were paid a total of £102 for travel expenses in 2021.
No travelling expenses were paid in 2020.

Independent Examiner's Report to the Trustees of the Furness Railway Trust

Registered Charity No. 1163073

I report on the accounts of the Trust for the 12 months ended 31st December 2021, which are set out on pages 1 to 7.

Respective Responsibilities of Trustees and Examiner

The charity's trustees are responsible for the preparation of the accounts.

The charity's trustees consider that an audit is not required for this period under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the General Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act; and
- to state whether particular matters have come to my attention

Basis of Independent Examiner's Statement

My examination was carried out in accordance with General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

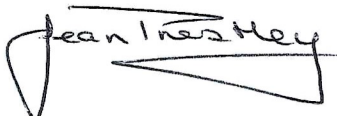
- (1) Which gives me reasonable cause to believe that in, any material respect, the requirements:

- to keep accounting records in accordance with section 130 of the Charities Act; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act;

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed:



Name:

J. Priestley ACMA, CGMA
24, Scarborough Road, St. Annes, Lytham St. Annes, Lancashire FY8 3ES

Date: