



FURNESS RAILWAY TRUST

Registered Charity No. 1163073

**Trustees' Annual Report and Accounts
2022**

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 2022

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. A savings account is also held with the Furness Building Society, Emlyn Hughes House, Abbey Road, Barrow-in-Furness, LA14 5PQ.

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 2022:

P. Balshaw (from 13.09.2022)
K. Brewer
J. Dixon
J.M. Kay
A. Middleton
S. Middleton (from 13.09.22)
T.D. Owen (Chairman)
A.M. Rigg
D.A. Rimmer (until 31.03.22)
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 2022 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

2022 saw a welcome return to normality following the restrictions caused by the 2020 Covid pandemic. The Heritage Rail sector once more saw a strong demand for working steam locomotives with supply being outstripped by demand owing to enforced delays to overhauls caused by the pandemic. There was therefore welcome demand for the use of the Trust's Hunslet 'Austerity' 0-6-0ST locomotive, *Cumbria* and Great Western Railway 0-6-2T locomotive No. 5643 which continued their hires to the Embsay & Bolton Abbey Steam Railway and the East Lancashire Railway respectively. The historic Furness Railway 0-4-0 locomotive No. 20 of 1863 made a well received visit to the Buckinghamshire Railway Centre in May as well as operating at its home base of the Ribble Steam Railway at Preston.

It is important to be able to respond quickly to any maintenance issues that arise on working locomotives. The Trust therefore found itself having to fund the re-tubing of *Cumbria* at short notice during the operating season and also undertook the re-boring of the valve liners and purchase of new valves for 5643. The latter locomotive hauled its last passenger trains on the 27th December before being withdrawn from operational use upon the expiry of its ten year boiler certificate. The locomotive has subsequently returned to the FRT's base at Preston to enable its overhaul to commence.

Good progress continues to be made on the long-term restoration of Great Western Railway 4-6-0 'Hall' class locomotive No. 4979 *Wootton Hall*. More pipework has been fitted to the boiler and welding repairs made to the tender tank. Some major and expensive components remain to be purchased, but this expenditure has been put on hold until the full cost of the overhaul to 5643 is known.

The overhaul of Peckett locomotive 0-4-0ST *Caliban* has continued with time now being spent in locating patterns for missing components. The tubes have been stripped from the boiler and a non-destructive examination arranged which subsequently turned out to be favourable.

Considerable volunteer resource has been consumed by the ongoing overhaul of Great Eastern Railway royal saloon No. 5 of 1898. Re-covering and painting of the roof and varnishing of the wooden body been completed and work then focussed on the time-consuming stripping and varnishing of interior woodwork. The former kitchen area is being refitted to modern standards and new moquette and materials fitted by the Trust's own volunteer workforce.

The restoration of the Trust's diesel shunter 0-4-ODM *Fluff* has taken a back seat to allow the restoration of the royal coach to be concluded. The Trustees continue to search for a replacement engine, the original being beyond repair.

The restoration of former Furness Railway locomotive *No. 25* of 1865 is still at the planning stage whilst resources are allocated to other projects and no significant progress is expected in the next year.

The Trustees' annual Risks and Vulnerabilities Review continues to identify the need to attract more volunteers and the Trustees will continue to endeavour to grow the Trust's workforce.

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 £58,737, was nearly forty per cent above that of 2021 reflecting the strong recovery in Rolling Stock Hire.

Expenditure on Charitable Activities also soared mainly on locomotive repairs and maintenance which rose from £6,696 in 2021 to £25,244 in 2022. The main causes were expenditure on the re-tube of *Cumbria* and the re-bore and new valves on *5643*. With steel prices soaring during the year, the opportunity was also taken to purchase tubes for *5643* in advance of its forthcoming boiler overhaul in 2023, which is principally responsible for the rise in stocks from £1,848 to £11,331.

The net current assets of £239,230 at the year end put the Trust in a good financial position to commence the overhaul of *5643* and also to continue work on its other projects.

6. Reserves Policy

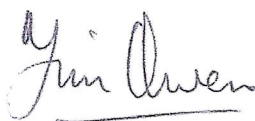
The Trustees believe that, the Furness Railway Trust's current finances continue to be satisfactory. There is an ongoing need to maintain an appropriate level of reserves to provide for future overhauls of the Trust's operational locomotives and coaches. Fundraising will continue primarily for this purpose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

7. Looking Forward

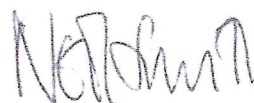
The major project in 2023 will be the overhaul of locomotive *No. 5643*. The full extent and cost of the overhaul will only become clear once the locomotive is stripped down and the boiler tested ultrasonically. In the meantime the Trust's finances will be heavily dependent on the income streams from locomotives *Cumbria* and Furness Railway *No. 20*, both of which already have booked work for 2023. Inflation continues to be a source of concern and will doubtless impact on current projects so expenditure controls will remain in place to ensure that best value for money is obtained whilst allowing a measured level of progress on key restoration projects.

The FRT is heavily reliant upon its volunteer workforce to operate and to progress projects. The Trustees wish to thank all members and followers of the FRT for their continued support and generosity during 2022.

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



Tim Owen
Chairman
3rd May 2023



Neil Smith
Secretary
3rd May 2023

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.
- (f) 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 2022

Statement of Financial Activities

Notes	2022 Unrestricted Funds £	2021 Total Funds £
INCOMING RESOURCES		
Incoming Resources		
3 Income and Endowments from:		
4 Donations/Legacies and Tax Recoverable	7,943	8,323
5 Charitable Activities	49,400	33,202
6 Other Trading Activities	597	739
7 Investments	776	5
Other	21	-
Total Incoming Resources	58,737	42,269
Less RESOURCES EXPENDED		
8 Expenditure on:		
9 Raising Funds	129	816
10 Charitable Activities	46,592	27,401
11 Governance	271	217
Total Resources Expended	46,992	28,434
Net Income/(Expenditure)	11,745	13,835
Transfers Between funds	-	-
Net Movement in Funds	11,745	13,835
Reconciliation of Funds		
Total Funds Brought Forward	514,373	500,538
Total Funds Carried Forward	526,118	514,373

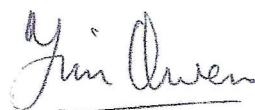
FURNESS RAILWAY TRUST

Registered Charity No. 1163073

Notes

Balance Sheet as at 31st December 2022

	2022 Unrestricted Funds £	2021 Total Funds £
Fixed Assets:		
13 Tangible Assets	183,161	189,020
14 Heritage Assets	106,296	106,296
Total Fixed Assets	289,457	295,316
Current Assets:		
15 Stock	11,331	1,848
16 Debtors	22,450	21,554
Cash at Bank	218,032	206,355
Cash in Hand	60	60
Total Current Assets	251,873	229,817
17 Creditors: amounts due within one yr.	(12,643)	(8,150)
Net Current Assets/(Liabilities)	239,230	221,667
Total Assets less Current Liabilities	528,687	516,983
17 Creditors: amounts due after one yr.	(2,569)	(2,610)
Total Net Assets	526,118	514,373
Funds of the Charity:		
Total Funds Brought Forward	514,373	500,538
Add Net Incoming Resources	11,745	13,835
Total Funds as at 31.12.2022	526,118	514,373



Tim Owen
Chairman
3rd May 2023



Neil Smith
Secretary
3rd May 2023

FURNESS RAILWAY TRUST

Registered Charity No. 1163073

Notes to the Accounts –12 Months Ended 31st December 2022

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 3 Analysis of Income		2022 Unrestricted Funds £	2021 Total Funds £
Note 4 Donations and Legacies			
Donations and Gifts		5,327	5,432
Legacies		-	-
Gift Aid		1,213	1,491
Membership Subscriptions		1,403	1,400
Total		7,943	8,323
Note 5 Charitable Activities			
Rolling Stock Hire		49,400	31,702
Book Sales		0	0
Other Income		0	1,500
Total		49,400	33,202
Note 6 Other Trading Activities			
Fundraising Sales		176	228
Proceeds from <i>Live Steam</i>		230	184
Donated Goods		110	205
Workwear		81	122
Total		597	739
Note 7 Investment Income			
Bank Interest Received		776	5
Total		776	5
Other Income		21	0
Total		21	0

Note 8 Analysis of Expenditure

	2022 Unrestricted Funds £	2021 Total Funds £
Note 9 Expenditure on Raising Funds		
Sales Goods	109	70
Insurance	20	410
Trust Promotion	0	337
Total	129	817
Note 10 Expenditure on Charitable Activities		
Locomotive Restoration	5,513	4,445
Locomotive Repair/Maintenance	25,244	6,696
Coach Restoration	3,005	776
Building Maintenance	129	8
Transport/Craneage Costs	250	2,790
Magazine Publication	915	1,485
Insurance	2,294	2,365
Utilities	2,051	1,498
Membership Subscriptions	260	260
Travelling Expenses	0	114
Personal Safety Equipment	0	40
Workwear	109	120
Printing, Stationery, Postage etc	232	398
Depreciation of Fixed Assets	6,590	6,406
Total	46,592	27,401
Note 11 Governance Costs		
Independent Examination	220	215
Printing, Stationery, Postage etc	51	2
Total	271	217

Note 12 Expenditure Details

Insurance, amounting to £2,314 was purchased (£2,775 in 2021) 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 2022 or 2021.

No fee for the Independent Examination of the 2022 accounts has been included. The cost of examining the 2021 accounts was £220 which is included in the 2022 accounts.

Note 13 Tangible Fixed Assets

	2022 Building Lease £	2022 Mess Room/ Safety Eqmt £	2022 Plant & Equipment £	2022 Total £
Cost				
At 1st January 2022	190,000	10,749	12,676	213,425
Additions/Disposals	-	-	100	100
At 31st December 2022	190,000	10,749	12,776	213,525
Depreciation				
At 1st January 2022	11,400	2,616	10,389	24,405
Depreciation	3,800	716	2,073	6,589
Less Depreciation on Disposal	-	-	-630	-630
At 31st December 2021	15,200	3,332	11,832	30,364
Net Book Value at 1st January 2022	178,600	8,133	2,287	189,020
Net book Value at 31st December 2022	174,800	7,417	944	183,161

Tangible Fixed Assets (Cont.)

Comparative figures for 2021

	2021 Building Lease £	2021 Mess Room/ Safety Eqmt £	2021 Plant & Equipment £	2021 Total £
Cost				
At 1st January 2021	190,000	10,749	12,676	213,425
Additions	-	-	-	-
At 31st December 2021	190,000	10,749	12,676	213,425
Depreciation				
At 1st January 2021	7,600	1,899	8,500	17,999
Depreciation	3,800	717	1,889	6,406
At 31st December 2021	11,400	2,616	10,389	24,405
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

Note 14 Heritage Assets

	2022 Locomotives £	2022 Other Rolling Stock £	2022 Other Artefacts £	2022 Total £
Cost				
At 1st January 2022	79,595	22,861	3,840	106,296
Additions/Disposals	-	-	-	-
At 31st December 2022	79,595	22,861	3,840	106,296

No depreciation has been applied to the Heritage Assets. Therefore the book values at 31st December 2022 are as above.

Comparative figures for 2021

	2021 Locomotives £	2021 Other Rolling Stock £	2021 Other Artefacts £	2021 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

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

	2022 Stock £	2021 Stock
Charitable Activities - Books		
Opening	9	9
Added in Period	0	0
Expensed in Period	0	0
Closing	<u>9</u>	<u>9</u>
Other Trading Activities		
Opening	1,839	2,030
Added in Period	89	0
Expensed in Period	218	191
Closing	<u>1,710</u>	<u>1,839</u>
Total Closing Sales Stock This year	1,719	1,848
Add Stocks of Stores	9,612	0
Total Stocks	11,331	1,848
Total Closing Stock Previous Year	1,848	2,039

Note 16 Analysis of Debtors

	2022 £	2021 £
Trade Debtors	18,480	17,524
Prepayments and Accrued Income	2,196	1,492
Other Debtors	1,774	2,538
Total	22,450	21,554

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

	Amounts Falling Due Within One Year		Amounts Falling Due After One Year	
	2022 £	2021 £	2022 £	2021 £
Trade Creditors	5,283	3,880	-	-
Accruals & Deferred Income	595	672	2,569	2,610
Other Creditors	6,765	3,598	-	-
Total	12,643	8,150	2,569	2,610

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

	2022		2021	
	Membership Subscriptions £	Vehicle Hire £	Membership Subscriptions £	Vehicle Hire £
Balance at the Start of the Reporting Period	3,282	329	3,525	329
Amounts Added in Current Period	692	0	478	0
Amounts Released to Income from Prev Periods	810	329	721	329
Balance at End of Reporting Period	<u>3,164</u>	<u>0</u>	<u>3,282</u>	<u>0</u>

Note 19 Charity Funds

Details of Movements in Funds in 2022

Purpose	Balance at		Expenditure	Transfers	Balance at
	01.01.2022	Income			31.12.2022
	£	£	£	£	£
Restricted Funds	-	-	-	-	-
Total Restricted Funds	-	-	-	-	-
Unrestricted Funds					
<i>Wootton Hall</i> Locomotive restoration	50	1,413	1,463	-	0
<i>Caliban</i> Locomotive restoration	5,580	0	620	-	4,960
<i>FR 25</i> Locomotive restoration	1,300	0	0	-	1,300
<i>Fluff</i> Locomotive restoration	1,493	0	420	-	1,073
NLR Brake Carriage restoration	1,237	0	0	-	1,237
Total Designated Funds	9,660	1,413	2,503	-	8,570
Total Non Designated Funds	504,713	57,324	44,489	-	517,548
Total Unrestricted Funds	514,373	58,737	46,992	-	526,118
Total All Funds	514,373	58,737	46,992	-	526,118

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	-	-	-	1,300
<i>Fluff</i> Locomotive restoration	1,468	125	100	-	1,493
NLR Brake Carriage restoration	1,237	-	-	-	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	-	514,373

Note 20 Transactions with Trustees and Related Parties

None of the trustees have been paid any remuneration or received any other benefits.

No Trustees received expenses in 2022.

Two trustees were paid a total of £102 for travel expenses in 2021.

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 2022, 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:

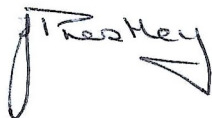
- (1) Which gives me reasonable cause to believe that in, any material respect, the requirements:

- 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:

14th June 2023