

FRIENDS OF THE NATIONAL RAILWAY MUSEUM

Financial Statements Year ended 31 December 2021

Registered Charity Number: 0273829

FRIENDS OF THE NATIONAL RAILWAY MUSEUM

Financial Statements

Year ended 31 December 2021

INDEPENDENT EXAMINER'S REPORT TO THE COUNCIL OF FRIENDS OF THE NATIONAL RAILWAY MUSEUM

I report on the accounts for the year ended 31 December 2021.

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 year under section 144(2) of the Charities Act 2011 (the Charities Act) and that an independent examination is required.

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),
- Ascertain that the Charity is not to be subject to an audit, and
- To state whether particular matters have come to my attention.

Basis of the independent examiner's statement

My examination was carried out in accordance with the 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 you as trustees concerning 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.

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**INDEPENDENT EXAMINER'S REPORT TO THE
COUNCIL OF FRIENDS OF THE NATIONAL RAILWAY MUSEUM
(continued)**

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.
- To prepare accounts which accord with accounting records and to 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.

**Robert J Woolley FCCA, CTA
Chartered Certified Accountant
Crown House
York Road
Skiptonthorpe
York
YO43 3PF**

Dated:

FRIENDS OF THE NATIONAL RAILWAY MUSEUM
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Statement of Accounting Policies

(a) Basis of accounting

These consolidated accounts have been prepared on the accruals basis, under the historical cost convention, and in accordance with the Financial Reporting Standard 102 (effective 1 January 2016) and FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities 2015).

A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

(b) Going Concern

The trustees assess whether the use of going concern is appropriate i.e., whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

(c) Incoming Resources

The Charity's income is received from members' subscriptions, donations, both general and specific. Other income from sales, legacies, bank interest and small surpluses on meetings and social events organised by the members is recognised at time of receipt. Where proven to meet income recognition, legacies due within twelve months of the accounting period are included as debtors.

Ordinary subscriptions income is applied in the year in which it is due for payment. Life members' subscriptions are credited to the income and expenditure account in nine equal annual instalments and the unexpended portion is carried forward as deferred income.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

(d) Meetings and social events

The income from meetings and social events is relatively small and is intended to cover the cost of such events. Income is offset against the relevant costs.

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Statement of Accounting Policies (continued)

(e) Tangible Fixed Assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. This is a change in accounting policy from £500 in previous periods, although as there were no relevant additions in the previous year there is no comparative restatement.

Depreciation, if applicable, is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line or reducing balance basis over its expected useful life, as follows:

(f) Leased Assets

Rents applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the lease term.

(g) Stock

Stocks of goods for resale are valued at the lower of cost or net realisable value.

(h) Liability to taxation

The Trustees consider that the charity satisfies the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively on the specific charitable objects of the charity and for no other purpose. Value Added Tax is not recoverable by the charity and is therefore included in the relevant costs in the Statement of Financial Activities.

The consolidated report includes any relative corporation tax for the subsidiary trading company.

(i) Government Grants

Government grants relating to revenue expenditure are shown as income in the year of receipt.

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Notes to the Financial Statements for the year ended 31 December 2021

1. SUBSCRIPTIONS

	2021 Unrestricted Funds	2021 Restricted Funds	2020 Unrestricted Funds	2020 Restricted Funds
	£	£	£	£
Subscriptions received in year	25,020	2,036	25,988	5,806
Subscriptions paid in advance in 2020	2,290	-	4,000	-
Transfer from Life Subscription Fund (Note 9)	2,655	-	2,741	-
	29,965	2,036	32,729	5,806
<i>Less Subscriptions in advance for 2022 (Note 8)</i>	(2,419)	-	(2,290)	-
<i>Less Transfer to Life Subscription Fund (Note 9)</i>	(750)	-	(1,300)	-
	26,796	2,036	29,139	5,806

2. DIRECT CHARITABLE EXPENDITURE

Museum support – General	-	9,128	-	-
Museum support – Specific	100,500	-	102,095	12,506
NRM Review	24,559	-	22,536	-
	<u>125,059</u>	<u>9,128</u>	<u>124,631</u>	<u>12,506</u>

Within specific museum support there is an amount of £500 relating to designated funds for the Ripon School Fund. A separate fund has been formed in 2021 for the Ripon School Fund. There are no comparative figures.

3. FUNDRAISING AND PUBLICITY

Exhibitions, Advertising and marketing	303	-	807	-
	<u>303</u>	<u>-</u>	<u>807</u>	<u>-</u>

4. MANAGEMENT AND ADMINISTRATION

Equipment expensed	699	-	-	-
Secretarial salaries	14,096	1,014	13,469	6,067
Printing, postage, stationery and telephone	4,406	-	2,741	-
Insurance, Fees, Etc.	5,649	-	4,099	-
Governance costs – (Inc. Independent examiner's fees)	2,308	-	3,575	-
	<u>27,158</u>	<u>1,014</u>	<u>23,884</u>	<u>6,067</u>

5. INVESTMENT IN SUBSIDIARY

Shares held in Friends of the National Railway Museum Enterprises Ltd at a cost of £40 (2020: £40).

The company is registered in England and Wales under registration number of 02418239.

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Notes to the Financial Statements for the year ended 31 December 2021 (continued)

6. DEBTORS

	2021 £	2020 £
Sales debtors and amounts prepaid	201	1,077
Gift Aid Recoverable	1,534	-

Legacy funds receivable	180,000	-
	<u>181,735</u>	<u>1,077</u>
	=====	=====
	=	=

7. CASH AT BANK, IN HAND AND INVESTMENTS

	2021 £	2020 £
Charity Official Investment Fund account	728,968	567,116
Deposit and current accounts	106,149	162,614
South of England Group current account	2,289	2,324
North East Branch cash in hand	379	245
Cash in hand	135	159
Charity balances	<u>837,920</u>	<u>732,458</u>
FNRM Enterprises Ltd	18,926	16,437
Total group	<u>856,846</u>	<u>748,895</u>
	=====	=====
	=	=
Investments held with CCLA	728,968	567,116
	=====	=====
	=	=

8. CREDITORS: DUE WITHIN ONE YEAR

	2021 Charity £	2020 Charity £	2021 Group £	2020 Group £
Ordinary subscriptions paid in advance	2,419	2,290	2,419	2,290
Accruals	3,926	2,348	5,133	3,330
		100,00		
Other creditors	100,000	0	100,000	100,000
	<u>106,345</u>	<u>104,638</u>	<u>107,552</u>	<u>105,620</u>
	=====	=====	=====	=====
	=	=	=	=

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Notes to the Financial Statements for the year ended 31 December 2021 (continued)

9. CREDITORS: DUE AFTER ONE YEAR

Movements of the life subscriptions fund were as follows:

	2021 £	2020 £
Balance at 1 January 2021	9,679	11,120
New life memberships	750	1,300
	10,429	12,420
Transfer to Statement of Financial Activities	(2,656)	(2,741)
Balance at 31 December 2021	7,773	9,679

10. DUCHESS OF HAMILTON FUND (229 Club)

	2021 £	2020 £
Balance at 1 January 2021	101,734	91,198
229 Club subscriptions and donations (including Gift Aid)	2,036	5,806
Interest added from invested balances	-	104
Realised gain on investments within the year	14,000	-
Deduct : Unrealised gain on invested funds to 31 December 2020	(13,037)	-
Add : Unrealised gain on invested funds at 31 December 2021	4,680	4,626
	109,414	101,734
Less 229 Club prizes and sundry expenses	-	-
Balance at 31 December 2021	109,414	101,734

Some members of The Friends of the National Railway Museum have undertaken to be responsible for some of the repair and maintenance of the locomotive *Duchess of Hamilton*. This has been financed through this Fund which is also known as *The 229 Club*.

11. NATIONAL ARCHIVE of RAILWAY ORAL HISTORY FUND 2021

	2021 £	2020 £
Balance at 1 January 2021	4,768	6,762
Receipts in year	-	-
Transfer from Accumulated fund	-	-
Interest added from invested balances	-	7

	4,768	6,769
<i>Less</i> Expenses paid	-	(2,001)
Balance at 31 December 2021	4,768	4,768

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Notes to the Financial Statements for the year ended 31 December 2021 (continued)

12. BOROUGH MARKET JUNCTION SIGNAL BOX FUND

	2021 £	2020 £
Balance at 1 January 2021	839	838
Interest added from invested balances	-	1
	<u>839</u>	<u>839</u>
<i>Less Outgoings</i>	-	-
Balance at 31 December 2021	<u>839</u>	<u>839</u>

13. BRITAIN'S RAILWAYS - ALL CHANGE

	2021 £	2020 £
Balance at 1 January 2021	4,964	10,469
Transfer from Accumulated fund	-	5,000
Receipts in the year including Gift Aid	-	-
Interest added from invested balances	-	-
	<u>4,964</u>	<u>15,469</u>
<i>Less Outgoings</i>	(56)	(10,505)
Balance at 31 December 2021	<u>4,908</u>	<u>4,964</u>

14. HISTORY AND DEVELOPMENT OF RAILWAY SIGNALLING

	2021 £	2020 £
Balance at 1 January 2021	9,172	2,185
Receipts in the year including Gift Aid	-	271
Transfer from Accumulated fund	(101)	6,712
Interest added from invested balances	-	4
	<u>9,071</u>	<u>9,172</u>
<i>Less Outgoings</i>	(9,071)	-

Balance at 31 December 2021

-	9,172
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Notes to the Financial Statements for the year ended 31 December 2021 (continued)

15. DESIGNATED FUNDS

During the year the Charity designated funds for the Vision 2025 Fund NRM totalling £250,000 and also £2,500 for the Ripon School Fund. These amounts are included within the Unrestricted Funds on the Statement of Financial Activities and Balance sheet.

16. ANALYSIS OF MOVEMENTS IN FUNDS

	Income	Expenditure	Other gains/losses	Movement
	2021 £	2021 £	2021 £	2021 £
Unrestricted and designated funds				
Revenue funds	373,434	(162,000)	75,540	286,974
	=====	=====	=====	=====
	=	=		
Restricted funds				
Various restricted funds (notes 10 to 14)	3,050	(10,243)	5,645	(1,548)
	=====	=====	=====	=====
	=			

17. PARTICULARS OF HOW FUNDS ARE REPRESENTED BY ASSETS AND LIABILITIES

At 31 December 2021	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds
	£	£	£	£

Current assets	686,216	252,500	119,929	1,058,645
Liabilities	(115,325)	-	-	(115,325)
	<u>570,891</u>	<u>252,500</u>	<u>119,929</u>	<u>943,320</u>
	=====	=====	=====	=====
	=	=	=	=
At 1 January 2021				
Current assets	651,716	-	121,477	773,193
Liabilities	(115,299)	-	-	(115,299)
	<u>536,417</u>	<u>-</u>	<u>121,477</u>	<u>657,894</u>
	=====	=====	=====	=====
	=	=	=	=

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18. FUTURE CHARITABLE COMMITMENTS

The Trustees' objective is to continue to respond to requests for financial assistance for the National Railway Museum. It is anticipated that these requests will include some funding for the following projects:

Station Hall - Redevelopment and refreshment payable 2022/23 *	£100,000
	0

(This is included in creditors and was paid over on 10 March 2022)

Vision 2025 - Major re-development of the National Railway Museum Estate. (Resources allocated as a Designated Fund) **	£250,000
	0

(Not included in creditors)

** Approved at Council meeting on 1 December 2018*

▮ **** Approved at Council meeting on 18 September 2021**

Implementation of The Station Hall re-development project has unavoidably slipped due to the Covid Pandemic and the fabrication of the existing building. The Charity is hoping to fulfil total contributions to the project of £1,000,000 over the coming 5 years.

The 229 Club Restricted fund has been suspended indefinitely as there is no immediate prospect of the locomotive *Duchess of Hamilton* being returned into steam and main line running within the foreseeable future. The Restricted fund will remain to facilitate occasional maintenance costs within the next few years.

19. OPERATING LEASE COMMITMENTS

The Charity had non-cancellable operating leases at the year-end which:

	2021	2020
	£	£
Other operating leases (office equipment)		
Expire within 1 year	-	-
Expire within 2 to 5 years (2020 - 2 - 5 years)	426	426
	====	====

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Notes to the Financial Statements for the year ended 31 December 2021 (continued)

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0. RELATED PARTY TRANSACTIONS

The wholly owned subsidiary company is Friends of the National Railway Museum Enterprises Limited, registered in England and Wales.

The following Trustees of the Friends of the National Railway Museum were also directors of the Friends of the National Railway Museum Enterprises Limited during 2021:

Mr R S Rollings and Mr D M B Naylor

21. EMPLOYEES AND REMUNERATION

The number of employees during the year ended 31 December 2021 was two (all part-time) (2020: three part-time). Total remuneration was £15,110 (2020: £19,536). No pension contributions were paid in the two years ended 31 December 2021.

During the year the Charity received Government Job Retention Grants relating to Covid of £1,014 (2020: £6,067). These grants are shown as restricted income and the gross wages paid shown as above within a corresponding payment from restricted funds for the element relating to the Covid grants.

No remuneration was paid to any of the Trustees during 2021 nor 2020. The Trustees claimed reimbursement of direct expenditure incurred on behalf of the charity amounting to £nil (2020: £nil)

22. WINDING UP OR DISSOLUTION OF THE CHARITY

If upon winding up or dissolution of the charity there remains any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the Charity.