



FURNESS RAILWAY TRUST

Registered Charity No. 1163073

**Trustees' Annual Report and Accounts
2020**

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 2020

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 Royal Bank of Scotland, Direct Business Banking, 4th Floor 1 Hardman Boulevard, Manchester, M3 3AG.

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 2020:

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 2020 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 two lock downs during the year caused by the Covid-19 pandemic and the ongoing associated restrictions on businesses and travel severely impacted on the Trust's activities and financial performance during 2020. Rolling stock hire, was particularly badly affected with Hunslet 'Austerity' 0-6-0ST locomotive *Cumbria* being the only steam locomotive from the Trust's fleet to earn any income, being on hire to the Embsay & Bolton Abbey Steam Railway during 2020.

Former Great Western Railway 0-6-2T locomotive *No. 5643* was transferred to the Trust's Preston base from Embsay after the end of the first lock down and, with the locomotive hire market being quiet, the opportunity was taken to undertake some maintenance work before the locomotive was transferred to the East Lancashire Railway in November. However further lock down restrictions prevented its planned use over the Christmas period.

The ten year overhaul at Preston of Furness Railway locomotive *No. 20*, Britain's oldest working standard gauge steam locomotive, has inevitably been delayed by the pandemic and the locomotive is not now expected to steam again until the middle of 2021. Similarly, the overhaul of Peckett locomotive 0-4-0ST *Caliban* has also been delayed but some work on the motion, lubrication system and smokebox was possible when access was allowed.

The long term restoration of former Great Western Railway 4-6-0 'Hall' class locomotive *No. 4979 Wootton Hall* has continued, albeit slowly, with receipt of the new valves and crossheads and also with further work being achieved on the boiler pipework and fittings.

The restoration of the Trust's diesel shunter 0-4-0DM *Fluff* has continued when possible with the fabrication of new steelwork for the superstructure being the main task. The Trustees have approved the sourcing of a replacement engine, the original being considered being beyond repair, and it is hoped that the relaxation of travel restrictions in 2021 will assist this process.

Reduced resources as a result of the pandemic have inevitably delayed all projects including the start of the restoration of former Furness Railway locomotive *No. 25* of 1865 and also the ongoing overhaul of Great Eastern Railway Royal saloon *No. 5*.

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 of the importance of these measures and for their acceptance and adherence to these new procedures.

The Trustees conduct an annual Risks and Vulnerabilities Review. The Trustees had previously identified the need to attract younger volunteers to assist and learn from its existing ageing volunteer workforce. The pandemic has affected plans in 2020 to use the platform of the new shed to achieve this and it is hoped that 2021 will enable this initiative to be effected.

All activities of the Furness Railway Trust are undertaken by volunteers and the Trustees wish to thank all its hard working members for their support during the difficult times experienced during the pandemic.

There are no paid staff employed by the Trust.

5. Financial Position

Total income, at £20,988, was well below that of £72,091 in 2019. In particular Rolling Stock Hire, £11,018, was less than a quarter of that achieved in 2019 reflecting the difficult times experienced by the leisure market during the pandemic.

Recognising the financial impact that the pandemic would have on finances, the Trustees restricted expenditure to that required to progress the overhaul of Furness Railway No. 20 and also to make best use of the volunteer resources available. The main expenditure therefore was on Locomotive Restoration, Maintenance and Repairs where a total of £35,604 was expended, compared with £40,810 in 2019, mainly arising from the pre-ordered crossheads and valves for 4979 *Wootton Hall* and new engine springs for Furness Railway No. 20.

Pandemic restrictions meant that there was no net income from fundraising activities such as the sales stand and from folk group *Live Steam*.

Overall, total expenditure at £47,699 was £26,711 more than income, reducing net funds by that amount to £500,538.

6. Reserves Policy

The Trustees believe that, despite the 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 reserve 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.

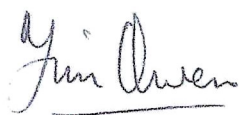
7. Looking Forward: Covid-19

The third pandemic lock down, which started on the 5th January 2021, along with further ongoing restrictions until the middle of 2021 will again have a detrimental effect on the Trust's finances and 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 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 2020.

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



Tim Owen
Chairman
19th April 2021



Neil Smith
Secretary
19th April 2021

Appendix A

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 2020

Statement of Financial Activities

Notes	2020 Unrestricted Funds £	2019 Total Funds £
INCOMING RESOURCES		
Incoming Resources		
3 Income and Endowments from:		
4 Donations/Legacies and Tax Recoverable	9,818	24,132
5 Charitable Activities	11,018	46,633
6 Other Trading Activities	34	1,071
7 Investments	118	255
Other	-	-
Total Incoming Resources	20,988	72,091
Less RESOURCES EXPENDED		
8 Expenditure on:		
9 Raising Funds	349	1,057
10 Charitable Activities	47,132	53,364
11 Governance	218	213
Total Resources Expended	47,699	54,634
Net Income/(Expenditure)	-26,711	17,457
Transfers Between funds	-	-
Net Movement in Funds	-26,711	17,457
Reconciliation of Funds		
Total Funds Brought Forward	527,249	509,792
Total Funds Carried Forward	500,538	527,249

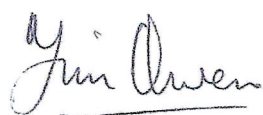
FURNESS RAILWAY TRUST

Registered Charity No. 1163073

Notes

Balance Sheet as at 31st December 2020

	2020 Unrestricted Funds £	2019 Total Funds £
Fixed Assets:		
13 Tangible Assets	195,426	200,848
14 Heritage Assets	106,296	106,296
Total Fixed Assets	301,722	307,144
Current Assets:		
15 Stock	2,038	1,837
16 Debtors	6,272	59,392
Cash at Bank	199,367	206,932
Cash in Hand	60	60
Total Current Assets	207,737	268,221
17 Creditors: amounts due within one yr.	(5,396)	(45,091)
Net Current Assets/(Liabilities)	202,341	223,130
Total Assets less Current Liabilities	504,063	530,274
17 Creditors: amounts due after one yr.	(3,525)	(3,025)
Total Net Assets	500,538	527,249
Funds of the Charity:		
Total Funds Brought Forward	527,249	509,792
Add Net Incoming Resources	(26,711)	17,457
Total Funds as at 31.12.2020	500,538	527,249



Tim Owen
Chairman
19th April 2021



Neil Smith
Secretary
19th April 2021

FURNESS RAILWAY TRUST

Registered Charity No. 1163073

Notes to the Accounts –12 Months Ended 31st December 2020

Note 1 **Basis of Accounting**

The accounts are for the fourth 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 balance of one previously notified legacy was included in the accounts.

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	2020	2019
		Unrestricted Funds £	Total Funds £
Note 4	Donations and Legacies		
	Donations and Gifts	6,604	15,038
	Legacies	-	3,358
	Gift Aid	1,771	4,193
	Membership Subscriptions	1,443	1,543
	Total	9,818	24,132
Note 5	Charitable Activities		
	Rolling Stock Hire	11,018	46,577
	Book Sales	0	6
	Other Income	0	50
	Total	11,018	46,633
Note 6	Other Trading Activities		
	Fundraising Sales	0	333
	Proceeds from <i>Live Steam</i>	0	510
	Donated Goods	0	228
	Workwear	35	0
	Total	35	1,071
Note 7	Investment Income		
	Bank Interest Received	118	255
	Total	118	255
	Other Income	0	0
	Total	0	0

Note 8 Analysis of Expenditure

	2020 Unrestricted Funds £	2019 Total Funds £
Note 9 Expenditure on Raising Funds		
Sales Goods	0	303
Insurance	349	342
Printing, Stationery, Postage etc	0	212
Total	349	857
Note 10 Expenditure on Charitable Activities		
Locomotive Restoration	23,423	18,893
Locomotive Repair/Maintenance	12,181	22,117
Coach Restoration	0	1,111
Building Maintenance	207	401
Transport Costs	0	990
Books	0	17
Magazine Publication	990	495
Insurance	1,993	1,731
Utilities	940	700
Membership Subscriptions	160	200
Travelling Expenses	0	335
Personal Safety Equipment	323	0
Workwear	31	0
Printing, Stationery, Postage etc	257	129
Depreciation of Fixed Assets	6,627	6,445
Total	47,132	53,564
Note 11 Governance Costs		
Independent Examination	215	210
Printing, Stationery, Postage etc	3	3
Total	218	213

Note 12 Expenditure Details

Insurance, amounting to £2,342 was purchased (£2,074 in 2019) 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 2020 or 2019.

No fee for the Independent Examination of the 2020 accounts has been included. The cost of examining the 2019 accounts was £215 which is included in the 2020 accounts.

Note 13 Tangible Fixed Assets

	2020 Building Lease £	2020 Mess Room/ Safety Eqmt £	2020 Plant & Equipment £	2020 Total £
Cost				
At 1st January 2019	190,000	10,749	11,472	212,221
Additions	0	0	1,205	1,205
At 31st December 2019	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

Tangible Fixed Assets (Cont.)

Comparative figures for 2019

	2019 Building Lease £	2019 Mess Room/ Safety Eqmt £	2019 Plant & Equipment £	2019 Total £
Cost				
At 1st January 2019	-	3,495	5,119	8,614
Additions	190,000	7,254	6,353	203,607
At 31st December 2019	190,000	10,749	11,472	212,221
Depreciation				
At 1st January 2019	-	466	4,462	4,928
Depreciation	3,800	717	1,928	6,445
At 31st December 2019	3,800	1,183	6,390	11,373
Net Book Value at 1st January 2019	-	3,029	657	3,686
Net book Value at 31st December 2019	186,200	9,566	5,082	200,848

Note 14 Heritage Assets

	2020 Locomotives £	2020 Other Rolling Stock £	2020 Other Artefacts £	2020 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

No depreciation has been applied to the Heritage Assets. Therefore the book values at 31st December 2020 are as above.

Comparative figures for 2019

	2019 Locomotives £	2019 Other Rolling Stock £	2019 Other Artefacts £	2019 Total £
Cost				
At 1st January 2018	79,595	22,861	3,840	106,296
Additions/Disposals	-	-	-	-
At 31st December 2018	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

	2020 Stock £	2019 Stock
Charitable Activities		
Opening	9	26
Added in Period	0	0
Expensed in Period	0	17
Closing	<u>9</u>	<u>9</u>
Other Trading Activities		
Opening	1,829	1,659
Added in Period	232	472
Expensed in Period	31	303
Closing	<u>2,030</u>	<u>1,828</u>
Total Closing Stock This year	<u>2,039</u>	<u>1,837</u>
Total Closing Stock Previous Year	<u>1,837</u>	<u>1,686</u>

Note 16 Analysis of Debtors

	2020 £	2019 £
Trade Debtors	2,143	16,608
Prepayments and Accrued Income	2,392	1,751
Other Debtors	1,737	41,033
Total	<u>6,272</u>	<u>59,392</u>

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

	Amounts Falling Due Within One Year		Amounts Falling Due After One Year	
	2020 £	2019 £	2020 £	2019 £
Trade Creditors	2,986	40,986	-	-
Accruals & Deferred Income	1,703	1,046	2,899	3,025
Other Creditors	3,854	3,059	-	-
Total	<u>8,543</u>	<u>45,091</u>	<u>2,899</u>	<u>3,025</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

	2020		2019	
	Membership Subscriptions £	Vehicle Hire £	Membership Subscriptions £	Vehicle Hire £
Balance at the Start of the Reporting Period	3,430	641	3,553	625
Amounts Added in Current Period	842	329	349	641
Amounts Released to Income from Prev Periods	747	641	472	625
Balance at End of Reporting Period	<u>3,525</u>	<u>329</u>	<u>3,430</u>	<u>641</u>

Note 19 Charity Funds

Details of Movements in Funds in 2020

Purpose		Balance at 01.01.2020	Income	Expenditure	Transfers	Balance at 31.12.2020
		£	£	£	£	£
Restricted Funds						
Shed Appeal	New shed at Preston	0	0	0	0	0
Total Restricted Funds		0	0	0	0	0
Unrestricted Funds						
Wootton Hall	Locomotive restoration	1,432	4,923	3,443	-	2,912
Caliban	Locomotive restoration	5,153	536	943	-	4,746
FR 25	Locomotive restoration	1,040	260	-	-	1,300
Fluff	Locomotive restoration	896	748	176	-	1,468
NLR Brake	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

Details of Movements in Funds in 2019

Purpose		Balance at 01.01.2019	Income	Expenditure	Transfers	Balance at 31.12.2019
		£	£	£	£	£
Restricted Funds						
Shed Appeal	New shed at Preston	33,073	-	-	(33,073)	-
Total Restricted Funds		33,073	-	-	(33,073)	-
Unrestricted Funds						
Wootton Hall	Locomotive restoration	10,057	9,956	18,581	-	1,432
Caliban	Locomotive restoration	5,785	1,033	1,665	-	5,153
FR 25	Locomotive restoration	-	1,040	-	-	1,040
Fluff	Locomotive restoration	-	1,148	252	-	896
NLR Brake	Carriage restoration	1,238	-	-	-	1,238
Total Designated Funds		17,080	13,177	20,498	-	9,759
Total Non Designated Funds		459,639	58,914	34,136	33,073	517,490
Total Unrestricted Funds		476,719	72,091	54,634	33,073	527,249
Total All Funds		509,792	72,091	54,634	-	527,249

Transfers Between Funds

The Shed Appeal: £33,073 was transferred from Restricted Funds to Unrestricted Funds in 2019 upon acquisition of a lease for the new shed at Preston. The Trustees have agreed that the terms of the appeal have been met so allowing the charity to use the asset on an unrestricted basis for any charitable purpose.

Note 20 Transactions with Trustees and Related Parties

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

No travelling expenses were paid in 2020. One Trustee was paid a total of £335 for travel expenses in 2019.

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 2020, 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

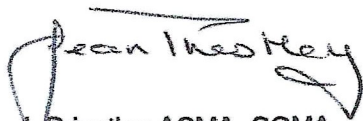
My examination was carried out in accordance with General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures 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

Address: 24, Scarborough Road, St. Ann's, Lytham St. Ann's, Lancashire FY8 3ES

Date: 10th May 2021