

FRIENDS OF THE NATIONAL RAILWAY MUSEUM

Annual Report and Financial Statements Year ended 31 December 2022

Registered Charity Number: 273829

FRIENDS OF THE NATIONAL RAILWAY MUSEUM
Annual Report and Financial Statements
Year ended 31 December 2022

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TRUSTEES' REPORT

The Trustees present their annual report with the financial statements of the Charity for the year ended 31 December 2022.

LEGAL STATUS

The Friends of the National Railway Museum was formed by a Trust Deed dated 16 May 1977. It is governed by a supplemental deed dated 21 June 2002 and is Registered Charity Number 273829.

REGISTERED OFFICE and PRINCIPAL PLACE OF OPERATIONS

The Registered Office of the Charity is at:

The National Railway Museum, Leeman Road, York. YO26 4XJ

Website : www.nrmfriends.org.uk

PROFESSIONAL ADVISORS

Bankers:	National Westminster Bank Plc 1 Market Street York, YO1 1YH	HSBC 13 Parliament Street York, YO1 8XS
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Solicitors:	Grays Solicitors Duncombe Place York, YO1 7DY
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Independent Examiner:	Robert J Woolley FCCA, CTA Chartered Certified Accountant Crown House York Road Shiptonthorpe York YO43 3PF
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TRUSTEES

The Management of the Friends of the National Railway Museum is delegated to the Council; the Council comprises the Trustees and non-voting, co-opted Advisors. The Trustees are appointed in accordance with the Constitution and Rules. Two Trustees are appointed by the Director of The Science Museum Group; twelve are elected from the Membership at the Annual General Meeting and the Hon. Secretary, Hon. Treasurer and Hon. Legal Advisor are appointed by the Council as ex-Officis members of the Council.

THE COUNCIL

The following were the officers and members of the Council (Trustees) of the Friends of the National Railway Museum during 2022 :-

Chairman: P M Benham

Hon Secretary: R S Rollings (resigned 31 October 2022)
G N D Miller OBE (appointed 1 November 2022)

Hon Treasurer: D M B Naylor

Hon Legal Advisor: F A Lawton

Council Members: Mrs H M Ashby OBE
Mrs L Benham
Dr M S Draper CBE
T H Fenwick
P N Graham MBE
I Johnson
C P Jones (resigned 1 September 2022)
A McLean*
Mrs J K McNicol*
J C H Nettleton
J H Perkin (resigned 1 September 2022)

R S Rollings
J D Thomas BEM

*Appointed by the Science Museum Group

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The following were members as at the date of the Trustees report being signed.

P M Benham	PN Graham MBE
R J Ekins	I Johnson
R S Rollings	A McLean
F A Lawton	G N D Miller OBE
Mrs H M Ashby OBE	J C H Nettleton
Mrs L Benham	M Rigg
Dr M S Draper CBE	Mrs J K McNicol
T H Fenwick	J D Thomas BEM

OBJECTIVES, ORGANISATION AND ACTIVITIES DURING THE YEAR

The Friends of the National Railway Museum was formed in 1977 to encourage the work and activities of The National Railway Museum at York, by amongst other things:

- (a) assisting in the acquisition and/or renovation of any objects relating to the evolution and development of rail transport for presentation or loan to the Museum or other such institution;
- (b) publicising the activities of the Museum among the members, extending invitations to openings and private viewings and arranging visits to other transport collections and other functions;
- (c) encouraging the study of transport history

As mentioned above, the responsibility for the formulation of policies to attain these aims rests with the Council. The Council is also responsible for the financial position of the Friends of the National Railway Museum, including the securing of membership and other financial support.

Responsibility for the day-to-day implementation of the Council's policies is delegated to an Executive Committee.

During the year the charity undertook its stated objectives by providing financial support to the National Railway Museum in the form of a further and final committed contribution to the Station Hall refurbishment programme. A formal commitment to fund the development of the Wonderlab development project, an integral part of the Museum re-development programme entitled Vision 2025. There are committed funds payable in Spring 2023 in support of the latter. Also, the continued publication of its enlarged quarterly publication.

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Further, the Charity has continued its development of its website infrastructure to be more communicative with its membership and increased its penetration into social media platforms all with the intent of publicising the activities of the Museum and the Charity, especially as they relate to specific projects of research relevant to the transport industry. Such activities are designed for the public benefit and to promote new membership. Further detail is provided within the Chairman's statement.

FOCUS ON CHARITABLE PURPOSE and PUBLIC BENEFIT

In complying with its Objectives and carrying out the above activities the Board of Trustees recognises that as a Charity realisation of public benefit must be at the centre of its decision-making processes. Public material emphasises that the FNRM is focussed on Railway conservation and education that is operated by a Board made up wholly of Volunteers, and where all income and trading surpluses are re-invested in the Charity. The Trustees acknowledge that their strategic priorities should be inclusive of the overarching aim of delivering public benefit. The charity is a public benefit charity.

The Trustees have had regard to the Charity Commission's guidance on public benefit in managing the activities of the charity. They believe through their operation of the charity, that the public benefit from its core activities, which is the financial and non-financial support of the National Railway Museum (a free to enter historical and educational tour of railways combined with associated artifacts and literature), is met. The National Railway Museum is a part of the Science Museum Group.

MANAGEMENT OF ETHICAL AND COMPLIANT FUNDRAISING

Our Charity depends on funds raised from members and the public to ensure the continued viability of the Charity. We strive to comply fully with Charity Commission guidance CC 20 on the duty of Trustees to have oversight of fundraising practices. We will endeavour to fully comply with the Code of Fundraising Practice.

We do not use professional fundraisers nor commercial participators, other than fundraising support by our own controlled subsidiary company. It does not receive any commissions and covenants the whole of its annual surpluses to the Charity. Our fundraising spend is small comprising almost entirely the cost of website maintenance. Our fundraising is managed and collated by staff and volunteers of the Charity. We do not share personal data with other organisations for any purpose nor do we fundraise by telephone.

Subscription Renewals and periodic Specific Appeals are directed to members of the Charity by mail, via invitations on our own web site and opt into e-mail communication. In accordance with applicable regulations members of the public can, by simple notification, opt out of receiving any fundraising material. This enables us to respond promptly to any notifications received pursuant to the Fundraising Preference Service.

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Year ended 31 December 2022 (continued)

We do not cold call or make public or static collections off our own premises. Our onsite fundraising is confined to cash collection boxes located within the National Railway Museum which do not invoke pressure to donate. All funds raised are used exclusively for the furtherance of the Charity and, where given for a restricted purpose, only for that purpose.

INVESTMENT STRATEGY

Funds that The Charity temporarily hosts from whatever source, and which are not deemed to be immediately required by the National Railway Museum to assist with projects which otherwise might not be undertaken are invested with a Trusted Source CCLA Investment Management Limited, with the (hoped for) intention of providing a supplemental source of future financial support to NRM. In recent years such investment decisions have provided a positive response to that objective.

The Financial Statements reflect realised and unrealised valuation movements at mid-market price at the yearend date.

THE CONTRIBUTION OF VOLUNTEERS IN THE YEAR

Volunteers are crucial to the operation of the Charity as all the trustees are volunteers. Our volunteers have remained incredibly supportive during the pandemic and continue to help us operate. We are truly grateful that our volunteers continue to support us in such an unsettled time.

POLICY ON RESERVES

The Trustees regularly monitor the level of reserves held in the Charity. They are mindful that the individual projects requiring support from the Friends are often large and as such take time to complete. In their opinion the level of reserves, both Restricted and Unrestricted is in keeping with these factors. The Charitable Trust holds funds to cover twelve months routine expenditures, including costs of the quarterly magazine in support of the National Railway Museum (NRM), none of which are contentious. These amount to approximately £57,000 per annum. The Funds in excess of such threshold are generally regarded as freely available to support initiatives of the NRM on a 'free to request' basis compatible with the Objects of the Charity and the Public Interest and committed at the discretion of the Charity Executive and in a timely manner. Surplus funds so arising are generally managed in accord with the Charity Investment Policy - intended to be on a temporary basis.

Funds identified as Restricted are retained as specific reserves applied only for such approved activities.

The Charity is hoping to provide annual contributions towards a potential target of £1 million pounds over the coming 5 years to Vision 2025 Fund NRM project. The funds available to the charity currently will go some way to delivering this future initiative.

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RISK AND INTERNAL CONTROL

We have well defined risk management arrangements. These include consideration at Trustees' meetings of the level of risks which might endanger the activity of the charity. The Trustees are of the opinion that these are minimal.

- **Fundraising** - The Trustees oversee compliance with fund raising regulation and ensure that fundraising is conducted in accordance with current regulations. The Charity had not at the yearend elected to register voluntarily with the Office of the Fundraising Regulator.
- **IT Security**- We recognise the risks associated with information security and the importance of protecting our IT systems from malicious attack and unauthorised access and misuse. Security measures are in place to protect from unauthorised access to IT systems and to test vulnerabilities in the network. We hold a limited level of personal information about our employees, volunteers, members and supporters. We have a data protection policy in place designed to ensure that only authorised access takes place to personal details.

GRANT MAKING POLICY

Requests for financial support come from the senior management of the National Railway Museum or the Membership of the Friends. Such requests are considered firstly by the Executive Committee and then, if supported, referred to the Council for approval.

FINANCES AND REVIEW OF THE YEAR

As required by Charity law, the Council members, as Trustees, prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the excess or deficiency of income over expenditure for that period. In preparing those financial statements the Council members: -

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Council members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the requirements of the Charity Acts. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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The Charity conducts its business with the use of an accounting system using computerised records and a computerised membership database.

Whilst it is not mandatory for The Charity to prepare consolidated accounts, the Trustees have requested them as it provides a more detailed financial picture of The Charity. There is no material additional cost incurred in the production of a consolidated report.

Given the economic environment prevailing during 2022, the Trustees consider the financial performance of the charity during the year to have been satisfactory.

The narrative in the accompanying Chairman's Report forms an integral part of this Report of the Trustees insofar as it relates to the activities and other matters which are normally required to be included and disclosed in the Report of the Trustees.

The total income for the year was £57,632 (2021: £376,484) of which £2,259 (2021: £3,050) was from restricted sources. The expenditure for the year amounted to £333,351 (2021: £172,142). There was a deficit of £327,720 (2021: surplus £285,426).

The total net assets of the FNRM amounted to £615,600 (2021: £943,320). These were split as to restricted funds of £117,155 (2021: £119,929) and unrestricted (including designated) funds £498,445 (2021: £823,391).

COVID 19

The Charity's operating position in 2022 was not without concern, given that in 2021 and 2022 regular outgoings exceeded current levels of member subscriptions. This concern has been ameliorated now within this year, although Outreach activities intended to re-create a flow of supportive funds towards the basic activities of the Charitable Trust, have been at a very low level this year.

That said, the Trustees have full confidence that the Charity remains a Going Concern and will continue so for at least the next twelve months from the date of this report.

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Chairman's Report 2022

2022 was the first full year since 2019 in which the activities of the Friends were not directly restricted by Covid 19, although the legacy of the pandemic continued to cast its shadow to some degree, with both museums still not opening on some off-peak days. Nevertheless, it is pleasing to report a more normal year. While, thankfully, the decline in the number of paid-up members experienced in the two pandemic years has eased, we are still some way off returning to where we were.

Review of activity

The primary means of contact with most members remains the quarterly *Review* magazine so I make no apology for starting my report by again highlighting this high quality publication. Encouragingly, the volume of material submitted has meant that the size of the magazine has continued to be larger than before the pandemic. As ever, the editorial team, led by Russ Rollings and John Cowles, now also joined by John Swanwick, has worked tirelessly, while Helen Ashby has continued her virtuoso performance with the *Half Fare* newsletter for youngsters. Nor must we forget the many contributors who submit articles and photographs - thank you one and all.

Despite occasional technical challenges, the winter programme of evening talks at the museum in York has now been permanently established on a hybrid basis. This allows those unable or uncomfortable about attending in person to still do so through the wonders of ZOOM, adding to what have been encouraging numbers of physical attendees. An innovation this year has been email messaging of meeting reminders to members. David Thomas's leadership has remained critical to success, with technical assistance from Andrew Frodsham and Frank Clough to all of whom I remain most grateful.

As with any enterprise in the modern world, our website (www.nrmfriends.org.uk) is now a key means of both promoting the Friends and communicating with members and the wider world. In this context Mike Peart and John Swanwick have continued to contribute a stream of interesting items covering a varied and wide range of railway history for the 'Did You Know?' page. The Friends' venture into social media via Facebook and Twitter has continued.

The project to catalogue the contents of back numbers of the *Review* magazine has progressed with the public index on the website now holding almost a third of published editions of the magazine covering over 3,000 articles. This is a commendable achievement in what is a highly complex task by the dedicated team of volunteers led by trustee Mel Draper.

Trading through FNRM Enterprises, now under the expert guidance of trustee Michael Hastings, began to recover following the dramatic downturn during the Covid 19 period, although there is still some way to go. Opportunities arising from the centenary of *Flying Scotsman* are expected to lift the subsidiary's profits significantly in 2023. Meanwhile sales directly through the charity, including second-hand books increased by 56%. Grateful thanks are due to Mike Webb and Vic Brookes for managing this activity, and to trustee Michael Hastings who now looks after Enterprises.

Conclusion of the archival research project, 'Britain's Railways All Change' (BRAC), was noted in last year's report, although in the event the final elements just crept into 2022. I repeat my thanks to our president Frank Paterson, for his successful and determined management of this important project undertaken in

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Chairman's Report 2022 (continued)

conjunction with the Retired Railway Officers Society. By contrast work has continued on 'The Film Archive of Railway Signalling and People' (FARSAP) project with some 200 records lodged on the Signalling Record Society's (SRS) website by the end of 2022. Work to extend the project to Electrical Control Rooms is underway. Once again, thanks are due to Richard Pulleyn and his team for their continued commitment, ~~Tony~~ Lacy of SRS, and to Network Rail for providing filming facilities.

John,
As the year end approached, the movement of the Friends' office to a new location within the main museum building close to the Great Hall was beckoning. This was to make way for the redevelopment work associated with Vision 2025. The former NER weighbridge office has been our home for well over a quarter of a century, so this is a profound moment.

Our 'regional' branches have been active getting back into the swing of things following the pandemic. As ever I am extremely grateful to David Wallace, chairman of the North East Branch, and James Baldwin, chairman of the South of England Group, for their leadership and support. The existence of both groups adds immeasurably to the breadth and life of the Friends overall, and they are a vital part of what we are. I can do no better than reproduce David's and James's reports below:

North East Branch

"It seems like a long time since we could enjoy talking to the public face to face but now with the pandemic hopefully behind us, we can communicate properly with our visitors.

"We, as a team, still clean and look after the collection on Tuesdays. At last, a conservation officer has been appointed to Locomotion and we welcomed Owen and his assistant Brian. A group of our team turn out on Thursdays to give cab instruction and guided tours of the collection.

"The FNRM-NE group welcome the development of Building 2 and look forward to its opening and the story within. Soon we will be explaining the ins and outs of the Heritage end of the site.

"By the time of this report we shall have started our spring talks programme with a great help from Locomotion providing the venue, refreshments and advertising. We will continue in the autumn with talks of local interest, as ever, for local people."

South of England Group

"Our evening meetings programme began with the Group's AGM, staged both by ZOOM and in person. Accepting the post-Covid trend of low evening attendance numbers, the subsequent Spring meetings were by ZOOM only - presentations by Colin Brading on the Settle and Carlisle line, by John Carr on heritage carriage conservation, and by Dave Coxon on the Old Dalby Test Track.

"Then, for the autumn programme we switched to a new pattern of lunchtime social gatherings in Central London. On 21 September Philip Benham, our national Chairman, led a discussion on the future of the Friends. On 16 November Anthony Coulls, one of the NRM Senior Curators, provided insights into the

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Chairman's Report 2022 (continued)

Museum's vehicle collection policy. Encouragingly, attendance has increased, including 'old faces' not seen for some years and also 'new faces'.

"Outreach activities have now re-attained pre-Covid levels. March saw record sales for a single month, at the London Festival of Railway Modelling and four excursions by *Flying Scotsman*. With the Science Museum Group and the NRM, we have been planning for the locomotive's centenary year in 2023, involvement which began at the launch weekend in October at King's Cross. Also, we are continuing to support the activities of the newly-forming Midlands Group.

"Finally, our Group outings recommenced on 26 June with a visit to the Fawley Hill Railway of our former President Sir William McAlpine."

Funding and Museum Support

Turning to financial matters, it may appear surprising at first to observe that income has dropped substantially. However, it will be noted that 2021 benefited from a high level of legacy income, something which by its very nature cannot be predicted or planned for. At the same time museum support paid out by way of donations more than doubled compared to the previous year. This must not be allowed to mask the fact that in the aftermath of the pandemic, income in the form of members' subscriptions and donations is not quite covering the cost of running the charity, and this is a matter the trustees will need to address in the coming year.

The last of three staged payments of £100,000 towards the re-development of York Station Hall was made during the year, completing at £300,000 the largest single donation ever made by FNRM to the National Railway Museum – so far! The project is being progressed in harness with essential repairs to the roof of the building (the former York goods depot) with both projects expected to be completed in autumn 2024. The next major contribution will be the £250,000 due to be paid early in 2023 towards the new *Wonderlab* being created at York as part of Vision 2025. This was reported last year, and it will be recalled represents the bulk of the legacy left to the Friends by our late secretary Michael Wallace. His name, together with the Friends as a major benefactor, will be highlighted when the attraction opens in June this year. It is also worth recording that FNRM are now funding an annual railway themed essay competition, for pupils of Ripon Grammar School in memory of Michael, who spent his professional career teaching at the school retiring as Deputy Headmaster.

Taken together, the Station Hall and *Wonderlab* donations mean FNRM has, over the past four years, gifted or committed to give over half a million pounds to the NRM. Looking to the current year and beyond, as noted elsewhere in the report, discussions are underway on an objective for the Friends to contribute a further £1m over a five-year period to the Vision 2025 project. The first payment is likely in 2023, although the precise phasing has yet to be decided. With the title 'The Five Year Ask' (this could change) such a large sum dwarfs even the recent Station Hall donation, and represents the biggest fund raising challenge ever taken on by the Friends. At the same time, as already noted, whilst membership numbers have stabilised slightly (the year-end figure being 1541, slightly down on 1563 at the end of 2021), this also remains an area of a concern together with how to better market the Friends.

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Chairman's Report 2022 (continued)

Governance

Given the importance of the above issues, and the need to ensure that FNRM remains relevant and effective in the modern world, a review under the title 'Fresh Start' has been undertaken into the charity's governance by consultant Mike Hogg – himself a Friend. His report recommended a number of changes including, most significantly, a move to incorporated status as a Charitable Incorporated Organisation (CIO). The trustees have accepted this recommendation in principle, but the legal and other issues are considerable, and were still to be examined at the time of this report. At the appropriate time, proposals will be laid before the membership for approval.

People

On the personnel front there have been a number of changes. Our Honorary Secretary, Russ Rollings, decided to stand down in October, although he remains as Vice-chairman. Russ's enthusiasm and energy are legendary, and I pay tribute both for his work as secretary and on-going support. I am delighted that Graham Miller agreed to take over this important role. Sadly, David Naylor, our long-standing Honorary Treasurer since 2014, also indicated his wish to relinquish the role on health grounds. He has guided our financial affairs impeccably since 2014, and will be a hard act to follow. So, I was very pleased when Ray Ekins volunteered his services. He has taken over from the start of the new financial year. David has been appointed as an adviser to the trustees in accordance with the Constitution.

Our two office staff at the start of the year, Heather Jones and May Willsher, both left us, and I wish to record my thanks for their contribution to the work of the Friends. Temporary support has been given by retired Office Administrator, Lesley Benham. Although outside the reporting year, in January 2023 we were delighted to welcome Jayne Molyneux into the new post of Office Administrator and Bookkeeper. An appointment for the other post was due imminently at the time of writing this report.

Relationships with the Museum Director, Judith McNicol, Head Curator Andrew McLean and their teams remain excellent, while the support and help we receive from our main point of contact, NRM Senior Philanthropy Manager, Katherine Rolland, is always exemplary.

Finally, once again I wish to thank all my fellow trustees and officers for the support and help they have given me through the year.



P M Benham

Chairman

Dated: 4/5/2023

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

I report to the Trustees on my examination of the accounts for the above charity ("the Trust") for the year ended 31 December 2022 set out on pages 14 to 26.

Responsibilities and basis of report

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 and that an independent examination is required.

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- The accounting records were not kept in accordance with section 130 of the Charities Act; or
- The accounts did not accord with the accounting records; or
- The accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a "true and fair" view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report 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
Shiptonthorpe
York
YO43 3PF

Dated: 17 May 2023

FRIENDS OF THE NATIONAL RAILWAY MUSEUM (and subsidiary company)
Consolidated Statement of Financial Activities for the year ended 31 December 2022

		2022 Unrestricted and Designated Funds	2022 Restricted Funds	2022 TOTAL Funds	2021 TOTAL Funds
	Note	£	£	£	£
INCOME FROM:					
Members' subscriptions – Inc. gift aid	1	24,894	1,328	26,222	28,832
Collecting boxes		7,670	-	7,670	4,774
Donations and legacies from individuals		2,920	-	2,920	329,243
Grant income		-	-	-	1,014
Sales – ancillary activities		18,883	906	19,789	12,608
Bank interest		517	25	542	13
Sundry receipts		489	-	489	-
Total incoming resources		55,373	2,259	57,632	376,484
EXPENDITURE ON:					
Direct charitable expenditure	2	281,956	336	282,292	134,187
Fundraising and publicity	3	1,248	17	1,265	303
Management and administration	4	39,062	-	39,062	26,846
Governance Costs	4	2,505	-	2,505	2,308
Cost of sales		8,227	-	8,227	8,498
Total resources expended		332,998	353	333,351	172,142
Net income/(expenditure) before gains/(losses) on investments:					
Realised gain within the year		(277,625)	1,906	(275,719)	204,342
Change in unrealised gain at year end		-	-	-	123,000
Transfers between funds	10 to 16	(47,321)	(4,680)	(52,001)	(41,916)
		-	-	-	-
Net movement of funds		(324,946)	(2,774)	(327,720)	285,426
Fund balances as of 1 January 2022		823,391	119,929	943,320	657,894
Fund balances as of 31 December 2022	16	498,445	117,155	615,600	943,320

A breakdown of the restricted funds is provided on pages 21 to 23.

A breakdown of the comparative figures is shown at note 17.

The notes on pages 17 to 26 form part of these financial statements

All of the Charity's activities derive from continuing operations during the financial period.

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Charity and consolidated balance sheet as at 31 December 2022

	Notes	2022 Charity £	2021 Charity £	2022 Group £	2021 Group £
Fixed assets					
Investment in subsidiary	5	40	40	-	-
		<u>40</u>	<u>40</u>	<u>-</u>	<u>-</u>
Current assets					
Stock		-	-	17,776	20,064
Debtors	6	180,431	181,735	180,886	181,735
Investments with CCLA	7	577,507	728,968	577,507	728,968
Cash at bank and in hand	7	86,218	108,953	112,696	127,878
Total assets		<u>844,196</u>	<u>1,019,696</u>	<u>888,865</u>	<u>1,058,645</u>
Creditors: Amounts falling due within one year					
	8	(265,709)	(106,345)	(267,169)	(107,552)
		<u>(265,709)</u>	<u>(106,345)</u>	<u>(267,169)</u>	<u>(107,552)</u>
Total assets less current liabilities		578,487	913,351	621,696	951,093
Creditors: Amounts falling due after one year					
	9	(6,096)	(7,773)	(6,096)	(7,773)
		<u>(6,096)</u>	<u>(7,773)</u>	<u>(6,096)</u>	<u>(7,773)</u>
		<u>572,391</u>	<u>905,578</u>	<u>615,600</u>	<u>943,320</u>
		=====	=====	=====	=====

The restricted funds for 2022 of £117,155 (2021: £119,929) are represented within the cash at bank and in hand and Investments with CCLA, included in the above Charity balance sheet.

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Charity and consolidated balance sheet as at 31 December 2022 (continued)

	Notes	2022 Charity £	2021 Charity £	2022 Group £	2021 Group £
Funds of the charity:					
Restricted funds					
Duchess of Hamilton Fund	10	106,045	109,414	106,045	109,414
NAROH Fund	11	1,372	1,369	1,372	1,369
Borough Market Junction Signal Box	12	839	839	839	839
BRACS Fund	13	4,918	4,908	4,918	4,908
F.A.R.S.A.P	11	3,111	3,399	3,111	3,399
History & Development of Railway Signalling	14	870	-	870	-
Total restricted funds		<u>117,155</u>	<u>119,929</u>	<u>117,155</u>	<u>119,929</u>
Unrestricted funds					
Accumulated funds		453,236	533,149	496,445	570,891
Designated Funds					
Ripon School Fund	15	2,000	2,500	2,000	2,500
Vision 2025 Fund NRM	18	-	250,000	-	250,000
Total Funds	16/18	<u><u>572,391</u></u>	<u><u>905,578</u></u>	<u><u>615,600</u></u>	<u><u>943,320</u></u>

These accounts were approved at a meeting of the Council on *4/5/2023*

[Signature] Chairman – P M Benham

[Signature] Secretary – G N D Miller OBE

[Signature] Treasurer – R Ekins

The Notes on pages 17 to 26 form part of these financial statements.

FRIENDS OF THE NATIONAL RAILWAY MUSEUM

Annual Report and Financial Statements

Year ended 31 December 2022

Statement of Accounting Policies

1.1 Basis of accounting

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

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

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

1.2 Going Concern

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. The charity is a going concern and there are no material uncertainties relating to its going concern status.

1.3 Income

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.

FRIENDS OF THE NATIONAL RAILWAY MUSEUM

Annual Report and Financial Statements

Year ended 31 December 2022

Statement of Accounting Policies (continued)

1.4 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. The Charity does not currently have any fixed assets.

1.5 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.

1.6 Stock

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

1.7 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.

1.8 Government Grants

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

1.9 Fund Accounting

Any grant, donation or separate subscription(s) received by the charity that is required to be used for a specified purpose is treated as restricted income together with the expenses applicable to that fund and included within the relevant restricted fund(s).

All other income is treated as unrestricted income and credited to the general unrestricted fund.

Designated funds are unrestricted funds that the Trustees have set aside for a particular purpose.

FRIENDS OF THE NATIONAL RAILWAY MUSEUM

Annual Report and Financial Statements

Year ended 31 December 2022

Notes to the Financial Statements for the year ended 31 December 2022

1. SUBSCRIPTIONS

	2022 Unre- stricted Funds	2022 Restricted Funds	2022 TOTAL Funds	2021 TOTAL Funds
	£	£	£	£
Subscriptions received in year	22,030	1,328	23,358	27,056
Subscriptions paid in advance in 2021	2,419	-	2,419	2,290
Transfer from Life Subscription Fund (Note 9)	2,277	-	2,277	2,655
	26,726	1,328	28,054	32,001
<i>Less</i> Subscriptions in advance for 2023 (Note 8)	(1,232)	-	(1,232)	(2,419)
<i>Less</i> Transfer to Life Subscription Fund (Note 9)	(600)	-	(600)	(750)
	24,894	1,328	26,222	28,832

2. DIRECT CHARITABLE EXPENDITURE

Museum support – General	-	-	-	9,128
Museum support – Specific	253,972	336	254,308	100,500
NRM Review	27,984	-	27,984	24,559
	281,956	336	282,292	134,187

Within specific museum support there is an amount of £500 (2021: £500) relating to designated funds for the Ripon School Fund. A separate fund was formed in 2021 for the Ripon School Fund.

3. FUNDRAISING AND PUBLICITY

Exhibitions, Advertising and marketing	1,248	17	1,265	303
	1,248	17	1,265	303

4. MANAGEMENT AND ADMINISTRATION

Equipment expensed	-	-	-	699
Secretarial salaries	26,243	-	26,243	15,110
Printing, postage, stationery and telephone	1,665	-	1,665	4,406
Insurance, Fees, etc.	6,035	-	6,035	5,259
Legal and professional fees	3,999	-	3,999	-
Office expenses	90	-	90	-
Payroll administration	173	-	173	390
Cost of meetings	857	-	857	982
	39,062	-	39,062	26,846

Governance Costs

Independent examiners fees	2,505	-	2,505	2,308
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FRIENDS OF THE NATIONAL RAILWAY MUSEUM

Annual Report and Financial Statements

Year ended 31 December 2022

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

5. INVESTMENT IN SUBSIDIARY

Shares held in Friends of the National Railway Museum Enterprises Ltd at a cost of £40 (2021: £40).

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

The financial results of the company were as follows (for the year ended 31 December 2022):

Income	Expenditure	Profit/(loss)	Net Assets
£	£	£	£
16,386	10,918	5,468	43,251
<u>16,386</u>	<u>10,918</u>	<u>5,468</u>	<u>43,251</u>

6. DEBTORS

	2022	2021
	£	£
Sales debtors and amounts prepaid	886	201
Gift Aid Recoverable	-	1,534
Legacy funds receivable (see note below)	180,000	180,000
	<u>180,886</u>	<u>181,735</u>

Despite assurances from the sole executors dealing with this matter that the Charity would receive the funds during 2022, due to delays with other legatees, there has not yet been a formal distribution of the legacy. The Trustees anticipate that this will materialise during 2023.

7. CASH AT BANK, IN HAND AND INVESTMENTS

	2022	2021
	£	£
Charity Official Investment Fund account	577,507	728,968
Deposit and current accounts	82,610	106,149
South of England Group current account	2,871	2,289
Northeast Branch cash in hand	180	379
Cash in hand	557	135
Charity balances	<u>663,725</u>	<u>837,920</u>
FNRM Enterprises Ltd	26,478	18,926
Total group	<u>690,203</u>	<u>856,846</u>
Investments held with CCLA	<u>577,507</u>	<u>728,968</u>

FRIENDS OF THE NATIONAL RAILWAY MUSEUM

Annual Report and Financial Statements

Year ended 31 December 2022

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

8. CREDITORS: DUE WITHIN ONE YEAR

	2022	2021	2022	2021
	Charity	Charity	Group	Group
	£	£	£	£
Ordinary subscriptions paid in advance	1,232	2,419	1,232	2,419
Accruals	14,477	3,926	15,937	5,133
Other creditors	250,000	100,000	250,000	100,000
	<u>265,709</u>	<u>106,345</u>	<u>267,169</u>	<u>107,552</u>

9. CREDITORS: DUE AFTER ONE YEAR

	2022	2021
	£	£
Movements of the life subscriptions fund were as follows:		
Balance at 1 January 2022	7,773	9,679
New life memberships	600	750
	<u>8,373</u>	<u>10,429</u>
Transfer to Statement of Financial Activities	(2,277)	(2,656)
Balance at 31 December 2022	<u>6,096</u>	<u>7,773</u>

10. DUCHESS OF HAMILTON FUND (229 Club)

	2022	2021
	£	£
Balance at 1 January 2022	109,414	101,735
229 Club subscriptions and donations (including Gift Aid)	1,328	2,036
Interest added from invested balances	-	-
Realised gain on investments within the year	-	14,000
Deduct: Unrealised gain on invested funds to 31 December 2021	(4,679)	(13,037)
Add: Unrealised gain on invested funds at 31 December 2022	-	4,680
	<u>106,063</u>	<u>109,414</u>
Less 229 Club prizes and sundry expenses	(18)	-
Less Transferred to unrestricted funds in year	-	-
Balance at 31 December 2022	<u>106,045</u>	<u>109,414</u>

A number of 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 fund has been permanently closed at the request of the 229 Club members. Once formal notice is given by all available members of the 229 Club, the fund will be de-restricted and carrying value of the fund will be transferred to unrestricted reserves. This is anticipated to occur in mid-2023.

FRIENDS OF THE NATIONAL RAILWAY MUSEUM**Annual Report and Financial Statements****Year ended 31 December 2022****Notes to the Financial Statements for the year ended 31 December 2022 (continued)****11. NATIONAL ARCHIVE of RAILWAY ORAL HISTORY FUND
(INCLUDING F.A.R.S.A.P.)**

	2022	2021
	£	£
Balance at 1 January 2022	4,768	4,768
Receipts in year	-	-
Interest added from invested balances	15	-
	<hr/> 4,783	<hr/> 4,768
<i>Less Expenses paid</i>	(300)	-
	<hr/> 4,483	<hr/> 4,768

12. BOROUGH MARKET JUNCTION SIGNAL BOX FUND

	2022	2021
	£	£
Balance at 1 January 2022	839	839
Interest added from invested balances	-	-
	<hr/> 839	<hr/> 839
<i>Less Outgoings</i>	-	-
	<hr/> 839	<hr/> 839

13. BRITAIN'S RAILWAYS – ALL CHANGE

	2022	2021
	£	£
Balance at 1 January 2022	4,908	4,964
Receipts in the year including Gift Aid	10	-
Interest added from invested balances	-	-
	<hr/> 4,918	<hr/> 4,964
<i>Less Outgoings</i>	-	(56)
	<hr/> 4,918	<hr/> 4,908

FRIENDS OF THE NATIONAL RAILWAY MUSEUM

Annual Report and Financial Statements

Year ended 31 December 2022

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

14. HISTORY AND DEVELOPMENT OF RAILWAY SIGNALLING

	2022	2021
	£	£
Balance at 1 January 2022	-	9,172
Receipts in the year including Gift Aid	906	-
Transfer from Accumulated fund	-	(101)
Interest added from invested balances	-	-
	<u>906</u>	<u>9,071</u>
<i>Less</i> Outgoings	(36)	(9,071)
Balance at 31 December 2022	<u>870</u>	<u>-</u>

15. RIPON SCHOOL COMPETITION – Designated fund

	2022	2021
	£	£
Balance at 1 January 2022	2,500	-
Receipts in the year including Gift Aid	-	3,000
Interest added from invested balances	-	-
	<u>2,500</u>	<u>3,000</u>
<i>Less</i> Outgoings	(500)	(500)
Balance at 31 December 2022	<u>2,000</u>	<u>2,500</u>

16. ANALYSIS OF MOVEMENTS IN FUNDS

	Income	Expendi- ture	Transfers / gains/losses	Movement
	2022	2022	2022	2022
	£	£	£	£
Unrestricted and designated funds				
Revenue funds	55,373	(332,998)	(47,321)	(324,946)
	<u>55,373</u>	<u>(332,998)</u>	<u>(47,321)</u>	<u>(324,946)</u>
Restricted funds				
Various restricted funds (notes 10 to 14)	2,259	(353)	(4,680)	(2,774)
	<u>2,259</u>	<u>(353)</u>	<u>(4,680)</u>	<u>(2,774)</u>

FRIENDS OF THE NATIONAL RAILWAY MUSEUM

Annual Report and Financial Statements

Year ended 31 December 2022

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

17. STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

		2021 Unrestricted and Designated Funds	2021 Restricted Funds	2021 TOTAL Funds	2020 TOTAL Funds
	Note	£	£	£	£
INCOME FROM:					
Members' subscriptions – Inc. gift aid	1	26,796	2,036	28,832	34,945
Collecting boxes		4,774	-	4,774	3,344
Donations and legacies from individuals		329,243	-	329,243	108,281
Government grants		-	1,014	1,014	6,067
Sales – ancillary activities		12,608	-	12,608	8,971
Bank interest		13	-	13	485
Total		373,434	3,050	376,484	162,093
EXPENDITURE ON:					
Direct charitable expenditure	2	125,059	9,128	134,187	137,137
Fundraising and publicity	3	303	-	303	807
Management and administration	4	27,158	1,014	28,172	29,951
Net costs of meetings and social events		982	-	982	268
Cost of sales		8,498	-	8,498	4,362
Other expenditure		-	-	-	-
Total resources expended		162,000	10,142	172,142	172,525

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

At 31 December 2022	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Current assets	519,710	252,000	117,155	888,865
Liabilities	(23,265)	(250,000)	-	(273,265)
	<u>496,445</u>	<u>2,000</u>	<u>117,155</u>	<u>615,600</u>
	<u><u>496,445</u></u>	<u><u>2,000</u></u>	<u><u>117,155</u></u>	<u><u>615,600</u></u>
At 1 January 2022				
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>
	<u><u>570,891</u></u>	<u><u>252,500</u></u>	<u><u>119,929</u></u>	<u><u>943,320</u></u>

FRIENDS OF THE NATIONAL RAILWAY MUSEUM

Annual Report and Financial Statements

Year ended 31 December 2022

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

19. DESIGNATED FUNDS

The Charity had designated funds for the Vision 2025 Fund NRM totalling £250,000 in 2021. This has now been provided for as a liability as there is a commitment that payment will be made to the NRM by the end of May 2023.

There is also a designated fund of £2,000 (2021: £2,500) for the Ripon School Fund. This amount is included within the Unrestricted Funds on the Statement of Financial Activities and Balance sheet on pages 15 and 16 respectively. Reference is also made to the Ripon School Competition fund in note 15.

20. 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:

Vision 2025 – Major re-development of the National Railway Museum Estate.	£1,000,000
Additional funding for Station Hall redevelopment	£53,800

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 be transferred to the unrestricted funds during 2023, once this has been ratified by all known contactable members of the club.

21. OPERATING LEASE COMMITMENTS

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

Other operating leases (office equipment)	2022	2021
	£	£
Expire within 1 year	-	-
Expire within 2 to 5 years (2021 – 2 - 5 years)	540	426
	<u>540</u>	<u>426</u>

FRIENDS OF THE NATIONAL RAILWAY MUSEUM

Annual Report and Financial Statements

Year ended 31 December 2022

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

22. RELATED PARTY TRANSACTIONS

The wholly owned subsidiary company is Friends of the National Railway Museum Enterprises Limited, registered in England and Wales, company number 02418239.

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 2022:

Mr R S Rollings and Mr D M B Naylor

23. EMPLOYEES AND REMUNERATION

The number of employees during the year ended 31 December 2022 was three (all part-time) (2021: two (part-time)). Total remuneration was £26,243 (2021: £15,110). No pension contributions were paid in the two years ended 31 December 2022.

During the year the Charity received Government Job Retention Grants relating to Covid of £NIL (2021: £1,014). 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 2022 nor 2021. The Trustees claimed reimbursement of direct expenditure incurred on behalf of the charity amounting to £nil (2021: £nil)

24. 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.