



The Locomotive Conservation and Learning Trust

Trustees Report and Financial Statements for the year ended 31 March 2023

Charity No: 1129893

The Locomotive Conservation and Learning Trust
Trustees Report and Financial Statements for the year ended 31 March 2023

Trustees

Toby Watkins	Chair of Trustees
Julian Birley	
Mike Thompson	
Paul Jarman	

Registered Office

11 High Moors
Halton
Buckinghamshire
HP22 5NY

Independent Examiner

Robert Newman
Carter Collins & Myer
Chichester House
2 Chichester Street
Rochdale
OL16 2AX

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Structure, Governance and Management

The advent of the pandemic and the deployment of the Chairman (a serving RAF officer) for several months to the Middle East has drastically reduced the times that Trustees and Project Board have met. Nonetheless, the use of Zoom and other virtual means have allowed the Project Board comprising representatives of the LCLT and SRC to regularly meet and make decisions. Minutes are maintained of each Project Board meeting.

Governing Document

The Charity is a Trust and is governed by its Deed of Trust established on 3rd March 2009. It is registered as a charity with the Charity Commission. The Trustees have the power to admit any constituted voluntary group or individual to membership and also have the power to remove members. Trustees may permit any member to retire provided that after such retirement the number of members is not less than two.

Objectives and Activities

The Locomotive Conservation and Learning Trust was formed in 2009 to ensure a sustainable future for precious railway artefacts, while at the same time facilitating learning about their history and supporting traditional skills.

The first artefacts placed into LCLT's care, by Beamish, The North of England Open Air Museum, are former North Eastern Railway 'J21' 0-6-0 locomotive No. 65033 built in 1889 and NER bogie tools van No. 2 dating from 1902. In 2019, the Trust also acquired NER coach No. 2051, which once restored will be a suitable vehicle to operate behind the 'J21'. In 2022, the LCLT fleet was further expanded by the transfer of Peckett 'Lytham' and Hunslet No.68009. Aside from the ongoing restoration of No.65033 off site, the entire LCLT fleet is based at our host Railway, Kirkby Stephen East in Cumbria, home of our project partners the Stainmore Railway Company.

Volunteers

The Project HG-13-21839 is being delivered in partnership with the Stainmore Railway Company (SRC) and it is their volunteers who have been steadfastly restoring the Trust's artefact, the NER Stores Van No.2 of 1902 vintage. The locomotive is being restored by the contractor LMS Ltd and thus does not employ any volunteer labour.

Public benefit

Ever since formal permission to start was granted by the (then) Heritage Lottery Fund in November 2018 for the LCLT to begin Project HG-13-21839 the Trust has been steadily restoring its two main artefacts; J21 locomotive No.65033 and North Eastern Railway Stores Van No.2 (erroneously listed in past publications etc as No.5523). The project also comprises the creation of a meeting room in Kirkby Stephen East station.

Assets and Liabilities

The Trust was formed in 2009 ostensibly to conserve and eventually restore the above vehicles. An additional vehicle, 1886 6-wheel coach No.2051, was obtained in 2019 when the Trust was alerted to its existence, its good condition, and that it could be had in exchange for a shed to replace the

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function it had on the previous owner's premises. In 2022, Peckett locomotive 'Lytham' was transferred to the LCLT by the 9F Charitable Trust along with £50,000. In the same year, the previous owners of Hunslet No.68009 transferred its ownership to the LCLT.

Achievements & Performance

During this year the Trust has continued to restore the two main artefacts at the centre of Project HG-13-21839; the Stores Van reached a state of completion following its lengthy refurbishment that began in late 2018. With the vehicle complete it awaits a new canvas roof and fitting out as a bespoke museum display before an expected full completion the late Spring of 2023.

The J21 locomotive No.65033 began a lengthy overhaul in September 2019 and progress continues to be made on its restoration at the Locomotive Maintenance Services Ltd works in Loughborough. Having been stripped to its many thousands of component parts the process of rebuilding is ongoing. During the period of this report the main foci have been the refurbishment of the various parts comprising the locomotive and the rebuilding of its tender, albeit at a slower pace due to the capacity of the specialist contractor undertaking the work. The tender was originally expected to be complete in the autumn of 2022, in turn allow the team to concentrate on the larger task of completing the locomotive, but by the end of this financial year that still had not been achieved. That the capacity of LMS Ltd to carry out the restoration work has been much reduced during this period due to other commitments is not only reflected in the protracted overhaul but also in the lower restoration spend during this financial year compared to last.

The restoration of Coach 2051 was earmarked as a longer-term project to follow the return to steam of 65033. Owning the coach body only, the Trust estimated some £20,000 to recreate an authentic 6-wheel chassis for it. However, the Trustees were delighted to have the opportunity to purchase in February 2022 a 6-wheel chassis from renowned coach restorer Stephen Middleton. While requiring some adaptation (it is of Great Eastern Railway origin) it, and other parts donations, have saved the Trust at least £10,000. With the completion of the Stores Van imminent, it is expected that further work will begin on this vehicle in 2024.

Financial Review

Receipts from supporters were lower than planned prior to the pandemic. Whereas that was once largely due to cancellations of the shows and opportunities where fundraising would take place, the main obstacle facing the Trust is the prolonged period before assembly of the engine itself can begin. Once assembly of the engine starts, experienced fundraisers from other projects will work with the Trust to spearhead a final completion push; a common practice in line with other project fundraising profiles. The Trust has maintained sufficient income to "prime the pump" necessary to maintain spending on the project for which the Heritage Fund will reimburse 91% as part of Project HG-13-21839.

As described above, the Trust has access to highly experienced and successful fundraisers from other projects and will increase its fundraising activity once the focus of restoration has returned to the engine itself and there is more certainty of when a completion date would be. The expectation is that the Trust will adopt a higher profile at events and in the specialist media in order to raise in excess of £70,000 from 2023 through to 2026; ensuring project completion and starting the process of preparing for a subsequent ten-year overhaul in the 2030s.

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The isolated nature of the Trust Chairman's new job including working abroad has meant that several invoices have been paid by the Chairman, in turn reimbursed by the Trust at the earliest opportunity. While for expediency this device may be used occasionally henceforth it will be used only in extremis. Similarly, various volunteers undertaking project work (not least on the Stores Van) have for expediency purchased low value items themselves, in turn being reimbursed by the Trust. In each case, these purchases were appropriate and made with prior approval.

Reserves Policy

The main effort, indeed raison d'être, of the Trust is the restoration of the J21 and Stores Van through the Heritage Fund supported Project HG-13-21839 and the structure of the accounts reflects this with the Current Account functioning as the mechanism by which income is received, project bills are paid and subsequent reimbursement of Heritage Fund grant and VAT repayment is processed.

The Reserve Account functions to maintain money to repay the Transport Trust loan made in 2011 and to set aside any donations made for activities beyond the J21 project, such as the eventual restoration of coach 2051. However, due to the annularity of the payment falling outside of the period covered here, the repayment has not featured in this year's accounts.

Administrative Administration

The Trust's headquarters is the home of the current Chairman, Toby Watkins: Stone Flagged Cottage, Newbiggin, Leyburn, North Yorkshire, DL8 3TD.

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Trustees Responsibilities

The trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Charity law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102 and applicable law). Under law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any
- material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to
- presume that the company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities SORP. 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to independent examiners

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant information of which the charity's independent examiner is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant information and to establish that the charity's independent examiner is aware of that information.

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This report was approved by the board and signed on its behalf.

A handwritten signature in blue ink, appearing to read 'Toby Watkins', is shown on a light-colored background.

Toby Watkins
Chair of Trustees

8th May 2024

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Independent examiners' report to the members

I report on the unaudited accounts of The Locomotive Conservation and Learning Trust for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes.

Respective responsibilities of trustees' and independent examiner

The trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

I am qualified to undertake the examination, being a qualified member of the Association of International Accountants (AIA). Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of the independent examiner's report

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 you as 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 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirement of the Statement of Recommended Practice: Accounting and Reporting by Charities

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.

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Robert Newman MAAT ATT FFA FAIA MCICM CMgr
Independent examiner
Chichester House
2 Chichester Street
Rochdale, Lancashire
OL16 2AX

9th May 2024

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Statement of Financial Activities for the year ended 31 March 2023

	2023	2022
Receipts		
Income from regular supporters	£2,083.20	£2,513.21
Ad hoc donations	£4,510.00	£3,992.00
9F Charitable Trust donation	£50,000.00	£0.00
Arts Council (PRISM) Grant	£2,000.00	£2,000.00
Heritage Fund 91% contribution to Project costs	£182,231.00	£182,231.00
VAT	£23,635.06	£41,249.00
Total Income	£6,593.20	£6,505.21
TOTAL Receipts (inc VAT Reclaim):	£271,052.46	£231,985.21
Payments		
J21 restoration project	£115,076.45	£259,224.68
Annual insurance (Trustees)	£304.46	£264.30
Annual insurance (artefacts)	£1,000.00	£0.00
Transport Trust annual loan payment	£108.18	£0.00
TOTAL	£116,489.09	£259,488.98
Payments in excess of Receipts	£154,563.37	(£27,503.77)
Reserve Account		
Interest	£0.45	£0.45

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

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Balance Sheet as 31 March 2023

	2023	2022
Fixed Assets		
Locomotive J21 No.65033	£500,000.00	£500,000.00
Locomotive 'Lytham'	£500,000.00	£0.00
Locomotive No:68009	£500,000.00	£0.00
NER Stores Van No.2	£100,000.00	£60,000.00
NER Coach No.2051	£50,000.00	£50,000.00
Current Assets		
Bank Account 78581249	£71,435.10	£5,445.67
Bank Account 78581257	£4,395.41	£4,376.16
Total Assets	£1,725,830.51	£619,821.83
Liabilities		
Transport Trust Loan	£5,000.00	£5,000.00
Net Assets	£1,720,830.51	£614,821.83

The trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

The accounts have been prepared in accordance with the provisions in Statement of Recommended Practice: Accounting and Reporting by Charities.

These accounts have been approved by the board and signed on its behalf.



Toby Watkins
Chair of Trustees

8th May 2024

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Notes to the Accounts for the year ended 31 March 2023

Accounting Policies

Basis of preparation

The trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

The accounts have been prepared in accordance with the provisions in Statement of Recommended Practice: Accounting and Reporting by Charities.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work or for specific projects being undertaken by the Charity.

Incoming resources

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of specified services is deferred until the criteria for income recognition is met.

Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

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Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Depreciation

Given the restoration of the Trust's assets, the trustees have not provided depreciation as the economic life is considered to be indefinite.



Issuer

Carter Collins & Myer

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Parties involved with this document

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