



THE RAILWAY CORRESPONDENCE AND TRAVEL SOCIETY

Charity Registration Number 1169995

ANNUAL TRUSTEES REPORT AND FINANCIAL STATEMENT 2022

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Trustees (at 1st June 2022):

A Callum MacLeod (Chairman)
David B Bird (Deputy Chairman)
Richard L Morris (Secretary)
A Reginald Wood (Treasurer)
Andrew P Davies
David P Goddard
James Milne
Irene L Rabbitts
John Redgate
Michael S Robinson
Matthew Shaw

Professional Advisers:

Bankers

Lloyds Bank plc
PO Box 1000
Andover
BX1 1LT

Independent Examiners

R.S. Porter & Co Ltd
Chartered Accountants (ICAEW)
The Old Dairy, Ashton Hill Farm,
Weston Road, Failand,
Bristol
BS8 3US

Solicitors

Hollingworth Bissell
Albert Buildings
49 Queen Victoria Street
London
EC4N 4SA

Insurance Brokers

Hettle Andrews Associates Ltd
Eleven Brindley Place
2 Brunswick Square
Brindley Place
Birmingham
B1 2LP

Trustee Annual Report for the Administration year to 31st December 2022

CHARITY STATUS:

Charitable Incorporated Organisation.

OBJECTIVES:

The objectives of the CIO are to advance the education of the public in the subject of historic and current railway operations, through:

- I. The publication of a regular monthly magazine, *The Railway Observer*, and its associated websites.
- II. The publication of books containing detailed historical records relating to railways, including locomotive classes, traction equipment and railway infrastructure.
- III. The formation and support of local branches of the Society with a view to providing a programme of speakers and visits so as to enable the public to study and understand various aspects of the practice of historic and current railway operation.
- IV. The development and conservation of an extensive library/archival centre so as to advance the public knowledge and understanding of historic and current railway practice and railway heritage.
- V. The dissemination to the public of photographic images illustrating historic railway heritage and current railway operations.

SOCIETY GOVERNANCE AND ORGANISATION:

The Society became a Charitable Incorporated Organisation in November 2016. This Trustee Annual Report covers activities by the Society for the Administrative year 1st January to 31st December 2022. The Financial Report and Statement of Accounts covers the Society's Financial year 1st November 2021 to 31st October 2022.

The Society continues to be governed by a Board of Trustees of 11 members, with working groups for Administration, Commercial, Finance and Strategy, each led by a Trustee and reporting to the Board. The Board of Trustees met on eight occasions during the year – either in person or using Zoom video conferencing, or a mix with some Trustees in a meeting room with others on Zoom. Hybrid meetings have mixed fortunes and are rather reliant on the Wi-fi facilities at the physical meeting location being accessible and very robust! The Society Annual General Meeting, which reverted to its normal April slot, was held 'in person' in Wolverhampton. The Officers' Conference in October, in Reading, was also held in person as part of the Members' Weekend.

Membership: Membership of the Society as of 31st December 2022 stood at 2467, compared with 2695 at the end of December 2021. The Society was able to attend two big events, at Crewe and Barrow Hill, in 2022 which allowed a significant number of new members (and some previous members re-joining!) to be recruited. Along with these a total of 360 new or re-joining members were recruited during the year – the majority through the recruitment section of the Society website (www.rcts.org.uk). A new feature for membership renewals was to email members with their renewal invitation. This reached 80% of our members and thus significantly reduced costs, not least postal costs, of sending individual renewal invitations out by post.

Branches: The Society manages a network of 25 Branches – spread over the length and breadth of England with two more in Wales and one in Scotland. All returned to ‘in person’ meetings at their locations, some opting to use Zoom for occasional meetings. A few Branches opted for a hybrid format with attendees in a meeting room whilst others signed in on Zoom. As with Trustee meetings, this does rely on the meeting location having a very robust Wi-fi facility, alongside necessary computer facilities and members’ knowledge of how to make hybrid work, but it can open up meetings to more attendees. It also allows the opportunity for presenters to be in a remote location – and this featured during the year with a member living in Germany doing presentations for an audience in the UK.

Website: The Society Website continues to develop with additional features: - new members can now sign up using Direct Debit; PayPal as well as Debit Card or Credit Card capability is available for anyone (not just Society members) buying products through the website. Following an exercise to digitally remaster the Society’s book series *Locomotives of the LNER* (which was first produced from the late 1960s through 1994), this series is now available for purchasers to either download as a PDF, or to buy in hard copy through Amazon on a ‘print on demand’ basis. *Observing the Railway 2021*, an opportunity to publish a selection of images submitted by members for, but not used by, *The Railway Observer* magazine is also available as an on-line only publication. Towards the end of the year the Society embarked on a journey to digitise and catalogue all of the photographs, slides and images which have been bequeathed to the Society. Many are not suitable for publication in the Society magazine or books, but they will have a potentially enormous historical value which it is important to retain. There have been earlier endeavours to do this work with some success, but it became clear a new method of operation was required as the monumental size of the task has been realised! The Society Digital Officer is leading this revitalised project along with the Archivist and Librarian.

Library and Archive The Library and Archive facility in Leatherhead has continued to open one day a week, either a midweek day or a Saturday, for members to visit and do research or reading. Unfortunately some planned opening days have been impacted by strikes by one or other – or all – of the rail unions. The digitisation project, mentioned earlier, is based at the Library with scanning equipment, cameras and necessary computer hardware located there. The Library is housed in the Station Master’s House at Leatherhead Station, so is very easy to access by train with services provided by South Western Railway and Southern Railway.

Publications The Society continues to produce a high quality magazine *The Railway Observer* for members. This is available in B5 format, printed, or downloadable as a PDF from the Society website. During 2022 the Society Digital Officer digitally remastered all issues of *The Railway Observer* going way back to 1928 and these too are now available for purchase, as PDF (one per year), from the website. Continuing the Society’s acclaimed ‘*Locomotives of..*’ series of books from around the country the latest book in the LMS series was launched in 2022 – this being a book on the Royal Scot class. Another new picture book was *A Photographic Journey from 1980 to 2022*. This book features images taken by a member from the Merseyside, Cheshire and North Wales Branch.

Promoting the Society During 2022, following negotiations with various parties, the Society’s

nameplate *The Railway Observer*, was transferred from the Network Rail New Measurement Train cl.43 High Speed Train power car to a newly refurbished cl.69 locomotive operated by GB Railfreight. A naming ceremony took place at Barrow Hill Roundhouse in Chesterfield, in August, as part of an open day there. The locomotive is based in the south of England but can be seen just about anywhere in the country, where GBRf services operate.

Finances The Society continues to be financially stable. The financial report and summary statement of accounts follows this report

On behalf of the Board of Trustees,

A.C. Macleod
Chairman

R. L. Morris
Secretary

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 OCTOBER 2022

This report covers the Society's financial affairs for the year from 1 November 2021 to 31 October 2022.

The overall financial outcome for the year was a surplus of £5,251 compared to £3,452 in the previous year.

It is a Society policy for magazine fees for *The Railway Observer* to cover the costs of its production, printing and despatch. This has been achieved again in 2021/22. Our policy is to use income from publication sales, bank interest and donations from members to maintain the annual subscription below what would otherwise be needed if all other running costs were to be met directly from the subscription.

Publication sales increased by a third to £24,237 (last year £17,836) with the launch of new book, *The Royal Scots* in the LMS Series and reprints of 3 *BR Standard Locos* titles, an overall investment of almost £8,000. Last year's *Mensing* stocks have all been sold and a small further stock has been purchased. Our excess stock provisions have been reviewed and updated, using new processes to address market volatility. The Publications Net Surplus resulting is £3,738. Publications stock is valued at the lower of cost or forecast sale value and was £10,787 at Year End after provisions of £3,407. This represents 5.3 months of sales.

Our income from membership subscriptions achieved £60,326, with our funds inflow from donations and gift aid at £5,396 and £2,843. These figures are 50% of actual receipts, the balance being capitalised to cover future library costs.

Our image sales improved to £6,535 earning a £4,542 contribution to our costs. Our investment in our image library stands at £12,326 with further expansion authorised by the Board of Trustees.

During the year Branch funds invested centrally reduced to £14,944 with Hitchin Branch drawing down funds. I thank Branch committees for their help.

Our largest expense is of course the RO, which cost £53,987 (2020/1 £51,717) to produce.

Society administration costs totalled £12,527 (2020/1 £9,422), the increase accounted for by the resumption of the AGM in April 2022 following the relaxation of the covid restrictions. Admin costs were 11.3% of income.

Our major archives project sees a £10,525 cost shown in the revenue account. This has been netted down by £6,820 as we amortise our donations and gift aid receipts to date, ie 65% has been funded from in this way. We still await our railway company landlord finalisation of the lease and progress on Business Rates etc.

On the Balance Sheet, our Working Capital increased 6% to £178,896. This is primarily in Creditors including £46,600 (four and a half years' worth) of the new library/archive occupation costs awaiting landlord invoicing. Funds are set aside for this.

The Board of Trustees received regular analysis, reporting and review of the Society's financial position during the year, with budgetary control and reporting in operation.

A R Wood FCMA CGMA MAPM FMAAT

Society Treasurer

The Railway Correspondence and Travel Society
ACCOUNTS FOR THE YEAR ENDED 31st OCTOBER 2022

REVENUE ACCOUNT

for the year ended 31st October 2022

	2022	2021
£	£	£
Publication Sales	24237	17836
Cost of Sales	- <u>20499</u>	- <u>10773</u>
	3738	7063
Add: Other Income		
Magazine Fees	58185	63352
Subscriptions	4806	5345
Less Membership Costs	- <u>8390</u>	- <u>10262</u>
	54601	58935
Bank Interest	56	148
Library/Archive	9074	4166
Donations	10544	15931
Sundry	<u>3682</u>	<u>3279</u>
	<u>23356</u>	<u>23524</u>
	81695	89522
Less: Expenditure:		
<i>Railway Observer</i>	53987	51717
Society Administration	11652	8602
Independent Examination	875	820
Branch Expenditure	134	43
Library/Archive	6641	7364
Sundry Activities	643	-37
Life Membership Fund Provision	0	3000
Depreciation	<u>2512</u>	<u>14561</u>
	<u>76444</u>	<u>86070</u>
Surplus before Taxation	5251	3452
Taxation	0	0
Surplus for the year	5251	3452
Retained surplus brought forward	107637	104185
Retained surplus carried forward	<u>112888</u>	<u>107637</u>

The Railway Correspondence and Travel Society
ACCOUNTS FOR THE YEAR ENDED 31st OCTOBER 2022

BALANCE SHEET
as at 31st October 2022

	2022	2021
£	£	£
ASSETS EMPLOYED		
FIXED ASSETS	27276	29788
CURRENT ASSETS		
Stock	13580	20200
Debtors and prepayments	6531	4447
Cash and bank balances	<u>253237</u>	<u>226728</u>
	<u>273348</u>	<u>251375</u>
CURRENT LIABILITIES		
Creditors	62054	52702
Branch Investment Funds	14944	15694
VAT	1205	230
Magazine Fees and Subscriptions	<u>16249</u>	<u>18610</u>
	<u>94452</u>	<u>87236</u>
NET CURRENT ASSETS	178896	164139
NET ASSETS	<u>206172</u>	<u>193927</u>
FINANCED BY:		
Retained Surplus	112888	107637
Library Capital Fund	22356	25151
Amortised Donations/Gift Aid	44280	31826
Life Membership Fund	26648	29313
	<u>206172</u>	<u>193927</u>

A.R. Wood, FCMA, CGMA, MAPM, FMAAT
Society Treasurer

INDEPENDENT EXAMINERS REPORT

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

In connections 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 2011; and to prepare accounts which accord with the accounting records, comply with the accounting requirements of the 2011 Act and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities (revised 2005) have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the account to be reached.

Christopher J Porter, FCA
R S Porter and Co. Limited
Chartered Accountants (ICAEW)
18th March 2023

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Bristol
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