

Lancaster and Morecambe Model Engineering Society (2018)

Accounts

Financial Year Ended 31 December 2020

LANCASTER AND MORECAMBE MODEL ENGINEERING SOCIETY (2018)

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LANCASTER AND MORECAMBE MODEL ENGINEERING SOCIETY (2018)

CHARITY DETAILS

Trustees

Mr G M Brown (Chairman)
Mr A Dixon
Mr A Dunn
Mr J McKay
Mr B Mulholland
Mr D Wilson
Mr D C Wood

Charity Names

Working name

Lancaster and Morecambe Model Engineering Society (2018)
Lancaster and Morecambe Model Engineering Society

Charity registration number

1176818

Registered office

22 Naworth Drive
Carlisle
CA3 0DD

Scrutineers

Mr Anthony Marshall
Mr Richard Davey

LANCASTER AND MORECAMBE MODEL ENGINEERING SOCIETY (2018)

TRUSTEES REPORT FOR THE YEAR ENDED 31 December 2020

The trustees present their report and accounts for the year ended 31 December 2020, which have been prepared on a receipts and payments basis. The financial statements have been prepared in accordance with the Charity's constitution and applicable law.

Structure, governance and management

The Charity is a Charitable Incorporated Organisation (CIO) governed by its constitution dated 7 October 2018. The Charity was registered on 24 January 2018.

The Trustees who have held office during the year are shown on page 3.

Objectives and activities

The Charity is a model engineering society based at Cinderbarrow picnic site at Yealand Redmayne, Carnforth, Lancashire. The Charity operates a miniature railway that is open to the public for rides on Sundays and public holidays from spring to autumn. The Charity also holds events to develop interest in engineering projects.

The object of the Charity is the advancement of public education in engineering through the construction and operation of models of engineering, the provision of talks, public exhibitions, demonstrations and by providing facilities for construction, development and running engineering models.

In establishing the objects and activities of the Charity the Trustees have had due regard to the Charity Commission guidance on public benefit.

Appointments of trustees

The Charity is required to have at least three trustees. Trustees are appointed by the members at the annual general meeting or at any time as required. New trustees are provided with a copy of the constitution and a copy of the latest trustees' annual report and statement of accounts.

Achievements and performance

The Society planned a range of meetings and events at the beginning of 2020. All of these meetings and events were cancelled due to Government restrictions introduced as a result of the Covid 19 pandemic.

Financial review

The Society was unable to generate any income from some of the usual sources during 2020. However the Society received a grant of £10000 from Lancaster City Council to support the Society during the pandemic and a significant amount of gift aid was received relating to a claim for several previous years. As a result, towards the end of 2020 when restrictions were eased, the Society was able to commence work on a major capital project to construct a new carriage shed, which was essential to protect the Society's assets.

The Society's Reserves Policy is shown at Annex 1. At the end of 2020 the Society's reserve was somewhat higher than target. In view of this, the Society intends to continue with the capital investment projects begun in 2020.

On 24 November the Lancaster and Morecambe Model Engineering Society Ltd, which formerly conducted the Society's business was wound up and all remaining assets were transferred to the Society.

Free reserves as at 31 December 2020 were £24,694 of which £6,798 were allocated to specific capital projects.

Income for the year was £16,356, expenditure was £20,265 and £168 was transferred from LMMES Ltd. prior to its dissolution.

In view of the level of income the charity has prepared these accounts on the receipts and payments basis, summarising all money received or paid by the charity during the year. A statement giving details of the assets and liabilities at the end of the year is provided on page 8.

Trustees Statement


The Trustees are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011. The accounts have been scrutinised by two members of the Society, as permitted within the Society's rules and as agreed by the Trustees. To the best of their knowledge, the Trustees confirm that: .

1. accounting records were kept in respect of the charity as required by section 130 of the Act; and
2. the accounts accord with those records; and
3. the accounts comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008.

LANCASTER AND MORECAMBE MODEL ENGINEERING SOCIETY (2018)

TRUSTEES REPORT
FOR THE YEAR ENDED 31 December 2020

This report was approved by the Trustees on 25/10/2021 and signed on their behalf.



.....
G M Brown – Chairman

| Receipts & Payments Account for the Financial Year Ended 31 Dec 20 | | | | | | |
|--|------------------|-------------------------------|------------------|------------------|---------------|---------------|
| | Note | Financial Year, Jan'20-Dec'20 | | | | 2019 |
| | | General Funds | Designated Funds | Restricted Funds | Total | Total |
| | | £ | £ | £ | £ | £ |
| RECEIPTS | | | | | | |
| Voluntary Income | | | | | | |
| | | | | | | |
| | | 0 | | | 0 | 6,242 |
| | | 369 | | | 369 | 912 |
| | | 10,000 | | | 10,000 | 0 |
| | | 3,015 | | | 3,015 | 0 |
| Income Generation | | | | | | |
| | | | | | 0 | |
| | | 130 | | | 130 | 490 |
| | 3 | 2,843 | | | 2,843 | 1,755 |
| | | 0 | | | 0 | 10 |
| Investment Income | | | | | | |
| | | 0 | | | 0 | 0 |
| Charitable Income | | | | | | |
| | | 0 | | | 0 | 0 |
| Asset Sales | | | | | | |
| | | 0 | | | 0 | 4,537 |
| Transfers From Lmmes Ltd | | | | | | |
| | | 168 | | | | 0 |
| TOTAL RECEIPTS | | 16,356 | 0 | 0 | 16,356 | 13,946 |
| PAYMENTS | | | | | | |
| | | £ | £ | £ | £ | £ |
| Cost Of Generating Income | | | | | | |
| | | 0 | | | 0 | 40 |
| | | 0 | | | 0 | 571 |
| | | 0 | | | 0 | 375 |
| | Sub-total | 0 | 0 | 0 | 0 | 987 |
| Capital Expenditure | | | | | | |
| | | 229 | | | 229 | 1,212 |
| | | 11,904 | | | 11,904 | 0 |
| | | 0 | | | 0 | 0 |
| | | 368 | | | 368 | 2,458 |
| | Sub-total | 12,502 | 0 | 0 | 12,502 | 1,212 |
| Recurring Costs | | | | | | |
| | | 800 | | | 800 | 1,600 |
| | | 4,018 | | | 4,018 | 4,831 |
| | Sub-total | 4,818 | 0 | 0 | 4,818 | |
| Administration | | | | | | |
| | 2 | 292 | | | 292 | 288 |
| | 4 | 2,272 | | | 2,272 | 65 |
| | Sub-total | 2,564 | 0 | 0 | 2,564 | |
| Maintaining Fixed Assets | | 381 | | | 381 | 1,110 |
| TOTAL PAYMENTS | | 20,265 | 0 | 0 | 20,265 | 12,550 |
| NET RECEIPTS-PAYMENTS | | -3,909 | 0 | 0 | -3,909 | 1,395 |
| OTHER TRANSACTIONS | | | | | | |
| | | 168 | | | 168 | 0 |
| TOTAL TRANSFERS | | 168 | 0 | 0 | 168 | |

Notes

- Accounting policies These accounts have been prepared on the receipts and payments basis. Expenditure is inclusive of VAT.
- Trustees No remuneration or other benefits were paid to the charity's trustees or people connected with them.
- Membership subscriptions includes a proportion of subscriptions from both 2020 and 2021.
- General administration is expenses internal to the Society. Other administration is expenses incurred with external organisations, including legal costs.

| Statement of Assets & Liabilities at 31-Dec-20 | | | | | |
|--|------------------------|-----------------------|-----------------------|--------------------------|----------------------------|
| Cash Assets | Bt'Fwd at 01 Jan 20 | Receipts in Period | Payments in Period | Transfers in Period | Cd'Fwd at 31- Dec-20 |
| Cash at Bank & in Hand | | | | | |
| Petty Cash | 0 | 0 | 0 | 0 | 0 |
| Bank, Current Account | 28,435 | 16,356 | -20,265 | 168 | 24,694 |
| | 28,435 | 16,356 | -20,265 | 168 | 24,694 |
| Outstanding Transactions | | | | | |
| Receipts (<i>Unreconciled Deposits</i>) | 0 | | | | 0 |
| Payments (<i>Unpresented Cheques</i>) | 0 | | | | 0 |
| | 0 | | | | 0 |
| Investment Accounts | Bt'Fwd | Interest | | Net Transfers | Cd'Fwd |
| Bank, Deposit Account | 0 | 0 | | 0 | 0 |
| Total Cash Assets | 28,435 | | | | 24,694 |

Tangible Fixed Assets & Liabilities

Expenditure incurred on tangible fixed assets in excess of £100, except planning and legal costs, is capitalised, values below that are written off as expenditure in the year they are incurred. Depreciation is calculated to write off the cost of tangible fixed assets over their estimated useful lives to the Society.

Asset classes where the value is reduced to under £100 will be removed as insignificant.

The depreciation rates and methods are as follows:

Equipment - 10% of current value

Track and Fencing - 10% of current value

Rolling stock – 10% of current value

Club House Buildings - straight line basis from 1st January 2000 to 31st December 2029

Canopy - 10% of current value

Gauge 1 track – 10% of current value

The Society has a potential liability, estimated at £7000, for clearance of the site at the end of the lease or should the Society be wound up. This is shown below as a charge against total assets.

| Tangible Fixed Assets and liabilities at 31-Dec-20 | | | | | | | |
|--|-----------|-----------|-----------------|---------------|--------|---------------|----------------|
| Assets | Buildings | Equipment | Track & Fencing | Rolling stock | Canopy | Gauge 1 Track | Total |
| Depreciation rate | 3.33% | 10% | 10% | 10% | 10% | 10% | |
| Base Value | £28,551 | | | | | | |
| Value at 31 Dec 19 | £10,958 | £1,558 | £629 | £7,000 | £5,585 | £369 | £26,098 |
| Depreciation | -£952 | -£156 | -£63 | -£700 | -£558 | -£37 | -£2,466 |
| Addition in year | £11,904 | £368 | | £0 | £0 | £229 | £12,502 |
| Value at 31 Dec 20 | £21,910 | £1,770 | £566 | £6,300 | £5,026 | £561 | £36,134 |
| Liabilities | | | | | | | |
| Site clearance at end of lease | £7,000 | | | | | | £7,000 |
| Net total fixed assets | | | | | | | £29,134 |

Declaration

The receipts and payments account for the financial period ended on 31 December 2020 and the statement of assets and liabilities at that date are approved by the Trustees.

For and on behalf of the Trustees:



G M Brown - Chairman

25/10/2021

Date

Annex 1

Reserves Policy

The Society aims to maintain a positive balance of available assets to cover future planned expenditure and unplanned expenses. In developing a Reserves Policy, the Society has considered separate categories of unavoidable recurrent expenditure and discretionary capital expenditure.

Considering first the non-discretionary expenditure, there are considerable recurring expenses which are incurred by the Society in the maintenance of the site, such as rent, electricity, buildings maintenance, site maintenance. These costs must all be covered even if the Society does not have any income. Therefore it is necessary to maintain a level of reserve funds to cover any eventuality where the society is unable to generate any income. The Society considers it prudent to keep at least one year's running costs in hand to cover such cases.

The site at Cinderbarrow is leased from Lancashire County Council, and although we have a long lease, and are hoping to negotiate an extension, there is always the possibility that the lease may be terminated at some time in the future. It is also possible that the Society might be dissolved at some time in the future, for example if there are insufficient members to continue. In this event, there is a potential cost which would be incurred for site clearance in accordance with the lease.

The operation of the railway and maintenance of the site requires a considerable quantity of valuable equipment which must be both maintained and replaced from time to time. The Society must also maintain a significant reserve of funds available to cover exceptional expenses which inevitably arise from time to time, such as the replacement of major items of equipment.

Now turning to the discretionary expenditure, there are a number of projects which a majority of members have asked for and which the Trustees have approved.

As outlined in the previous annual report, a priority for the Society is the construction of a new carriage shed to protect our investment in rolling stock. This project was started during 2020, although progress was limited because of the Covid pandemic. However most of the capital investment required has now been made and the remaining investment required is now substantially smaller.

Also identified in the previous annual report was the objective of creating a new gauge 1 track layout, which, it is hoped will stimulate the interest of younger visitors as well as being more manageable for our older members. This project was initiated in 2020 and most of the required capital investment is still outstanding, and therefore remains in the calculation of the reserve target.

The Society has also identified significant work which needs to be carried out on rolling stock to bring it up to modern safety standards. The cost of this work will significantly exceed our typical maintenance budget and so it has been included in the calculation of the reserve target.

Calculation of a reasonable reserve target for 2020

| | |
|----------------------------------|----------------|
| Ongoing expenditure if no income | £7,500 |
| Site clearance at end of lease | £7,000 |
| Unexpected capital expenditure | £3,000 |
| Carriage Shed (estimated) | £2,096 |
| Gauge 1 track | £2,071 |
| Upgrade of rolling stock | £2,631 |
| Total reserve target | £24,298 |