

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

### **Accounts**

Financial Year Ended 31 December 2021

## LANCASTER AND MORECAMBE MODEL ENGINEERING SOCIETY (2018)

### CONTENTS

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|                                       |    |
|---------------------------------------|----|
| Charity Details                       | 3  |
| Trustee's Report                      | 4  |
| Receipts and Payments Account         | 7  |
| Statement of Assets and Liabilities   | 8  |
| Tangible Fixed Assets and Liabilities | 9  |
| Declaration                           | 9  |
| Annex 1 Reserve Policy                | 10 |

## LANCASTER AND MORECAMBE MODEL ENGINEERING SOCIETY (2018)

### CHARITY DETAILS

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|                 |  |  |
|-----------------|--|--|
| <b>Trustees</b> | Mr G M Brown (Chairman)<br>Mr A Dixon<br>Mr A Dunn<br>Mr P Livesley<br>Mr J McKay<br>Mr G McQuire<br>Mr B Mulholland<br>Mr D Wilson<br>Mr D C Wood | (From 17 October 2021)<br>(From 17 October 2021) |
|-----------------|--|--|

|                      |  |
|----------------------|--|
| <b>Charity Names</b> | Lancaster and Morecambe Model Engineering Society (2018) |
| Working name         | Lancaster and Morecambe Model Engineering Society        |

|                                    |         |
|------------------------------------|---------|
| <b>Charity registration number</b> | 1176818 |
|------------------------------------|---------|

|                          |   |
|--------------------------|---|
| <b>Registered office</b> | 22 Naworth Drive<br>Carlisle<br>CA3 0DD |
|--------------------------|---|

|                    |   |
|--------------------|---|
| <b>Scrutineers</b> | Mr Anthony Marshall<br>Mr Richard Davey |
|--------------------|---|

## **LANCASTER AND MORECAMBE MODEL ENGINEERING SOCIETY (2018)**

### **TRUSTEES REPORT**

**FOR THE YEAR ENDED 31 December 2021**

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The trustees present their report and accounts for the year ended 31 December 2021, 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 Bank 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 2021. Although Covid-19 restrictions were lifted part way through the year, it was thought prudent to suspend resumption of our regular meetings as it would be difficult to maintain social distancing in a confined space.

Passenger trains were resumed during the year following introduction of screens to the carriages and implementation of thorough disinfection procedures.

Members also carried out significant work in the construction of a new carriage shed to protect our valuable assets. The new carriage shed is now complete and fully operational. Another major project of the construction of a Gauge 1 railway track for the operation of smaller models was also undertaken and completed. Work has now started on replacement of the main track which has deteriorated severely over the many years of our operation. Other capital projects included a considerable investment in rolling stock. This includes a new works locomotive to assist with track work and significant investment in passenger carriages by upgrading bogies and brakes to improve safety and comfort.

The Society has continued to attract new members, including a significant number of junior members, indicating our success in inspiring the younger generation with an interest in models and engineering more generally. Many of our new members were attracted by our new Gauge 1 facility, demonstrating the value of this facility.

The decision was also taken to take advantage of a new opportunity opened up by the construction of the new carriage shed, which enabled us to free up space in the old "container" and use it to create a new workshop. Apart from offering great value in the maintenance of our facilities, we believe we will also be able to use it to create more interest in the activities of the Society and as an educational facility. The trustees felt that the additional investment was justified in the view of the fact that the Society has recently received a large donation of workshop equipment which will be sold at the highest price possible to raise funds for the Society's continued work.

The operation of the miniature railway inevitably involves significant wear and tear on the infrastructure of the railway and in particular, after 20 years of operation, the condition of the track was becoming very poor and maintaining it in a condition to ensure safe and reliable operation of the railway was becoming increasingly difficult. The Trustees therefore took the decision to undertake a major project to replace as much of the track as possible over a number of years and as funding allows. To this end a bulk purchase of rail was made at the end of the financial year, and a start was made on track re-laying.

### Financial review

The Society's Reserves Policy is shown at Annex 1. A number of capital projects have been planned for the next financial year which are detailed below and there are also some known liabilities for next year. When taken together, the specified Reserve, the known liabilities and the capital projects budget match closely with the Society's cash assets at the end of the financial year.

The Society benefited from some substantial donations in the year which were beneficial in enabling us to progress these capital projects. Despite a late start due to Covid restrictions in the early part of the year, the Society operated a full program of public train rides throughout the summer, and possibly with the advantage of a new contactless payments system, donations associated with our public running reached the highest level on record.

Free reserves as at 31 December 2021 were £20,015

Income for the year was £13,702 and planned expenditure was £18,381.

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 7.

Known liabilities and capital projects planned for the next financial year:

|  |        |
|--|--------|
| Known liabilities                      | £1,000 |
| Capital project – track replacement    | £3,000 |
| Capital project –workshop construction | £5,000 |
| Smaller capital projects               | £1,000 |

Total: £10,000

### Trustees Statement

The Trustees are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act'). 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 2021

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This report was approved by the Trustees on .....6 June 2022..... and signed on their behalf.



.....  
G M Brown – Chairman

| Receipts & Payments Account for the Financial Year Ended 31 Dec 21 |          |                               |                  |                  |               |                  |
|--|----------|-------------------------------|------------------|------------------|---------------|------------------|
|  | Note     | Financial Year, Jan'21-Dec'21 |                  |                  | 2020          | (Note 6)<br>2019 |
|  |          | General Funds                 | Designated Funds | Restricted Funds | Total         | Total            |
|  |          | £                             | £                | £                | £             | £                |
| <b>RECEIPTS</b>  | <b>1</b> |                               |                  |                  |               |                  |
| <b>Voluntary Income</b>  |          |                               |                  |                  |               |                  |
| Track Donations  |          | 8,388                         |                  |                  | 8,388         | 0                |
| Other donations  |          | 2,510                         |                  |                  | 2,510         | 369              |
| Grants   |          |                               |                  |                  |               | 10,000           |
| Gift Aid   | 2        | 0                             |                  |                  | 0             | 3,015            |
| <b>Income Generation</b>   |          |                               |                  |                  | 0             |                  |
| Group Booking Income   |          | 0                             |                  |                  | 0             | 130              |
| Members' Subscriptions   | 3        | 2,764                         |                  |                  | 2,764         | 2,843            |
| Sale Of Misc. Items  |          | 40                            |                  |                  | 40            | 0                |
| <b>Investment Income</b>   |          | 0                             |                  |                  | 0             | 0                |
| <b>Charitable Income</b>   |          | 0                             |                  |                  | 0             | 0                |
| <b>Asset Sales</b>   |          | 0                             |                  |                  | 0             | 0                |
| <b>Transfers To/From Lmmes Ltd</b>                                 |          | 0                             |                  |                  | 0             | 168              |
| <b>TOTAL RECEIPTS</b>  |          | <b>13,702</b>                 | <b>0</b>         | <b>0</b>         | <b>13,702</b> | <b>16,525</b>    |
| <b>PAYMENTS</b>  |          | £                             | £                | £                | £             | £                |
| <b>Cost Of Generating Income</b>                                   |          |                               |                  |                  |               |                  |
| Operating The Railway  |          | 550                           |                  |                  | 550           | 0                |
| Special Events   |          | 132                           |                  |                  | 132           | 0                |
| Other  |          | 114                           |                  |                  | 114           | 0                |
| <b>Sub-total</b>   |          | <b>796</b>                    | <b>0</b>         | <b>0</b>         | <b>796</b>    | <b>0</b>         |
| <b>Capital Expenditure</b>   |          |                               |                  |                  |               |                  |
| Main Track   |          | 4,950                         |                  |                  | 4,950         | 0                |
| Gauge 1 Track  |          | 2,271                         |                  |                  | 2,271         | 229              |
| Carriage Shed  |          | 1,304                         |                  |                  | 1,304         | 11,904           |
| Canopy   |          | 0                             |                  |                  | 0             | 0                |
| Rolling Stock  |          | 4,472                         |                  |                  | 4,472         | 0                |
| New Workshop   |          | 111                           |                  |                  | 111           | 0                |
| Equipment  |          | 0                             |                  |                  | 0             | 230              |
| <b>Sub-total</b>   |          | <b>13,107</b>                 | <b>0</b>         | <b>0</b>         | <b>13,107</b> | <b>12,363</b>    |
| <b>Recurring Costs</b>   |          |                               |                  |                  |               |                  |
| Rent & Rates   |          | 800                           |                  |                  | 800           | 800              |
| Services   |          | 2,063                         |                  |                  | 2,063         | 4,017            |
| <b>Sub-total</b>   |          | <b>2,863</b>                  | <b>0</b>         | <b>0</b>         | <b>2,863</b>  | <b>4,817</b>     |
| <b>Administration</b>  |          |                               |                  |                  |               |                  |
| General Administration   | 4        | 63                            |                  |                  | 63            | 291              |
| Other Administrative   | 5        | 0                             |                  |                  | 0             | 2,272            |
| <b>Sub-total</b>   |          | <b>63</b>                     | <b>0</b>         | <b>0</b>         | <b>63</b>     | <b>2,563</b>     |
| <b>Maintaining Fixed Assets</b>                                    |          | <b>1,551</b>                  | <b>0</b>         | <b>0</b>         | <b>1,551</b>  | <b>519</b>       |
| <b>TOTAL PAYMENTS</b>  |          | <b>18,381</b>                 | <b>0</b>         | <b>0</b>         | <b>18,381</b> | <b>20,262</b>    |
| <b>NET RECEIPTS-PAYMENTS</b>                                       |          | <b>-4,679</b>                 | <b>0</b>         | <b>0</b>         | <b>-4,679</b> | <b>-3,737</b>    |

## Notes

- Accounting policies These accounts have been prepared on the receipts and payments basis. Expenditure is inclusive of VAT.
- Gift Aid Not all donations are eligible for Gift Aid. There was insignificant Gift Aid eligible income in the previous year, and so the claim was deferred to a subsequent year. Gift aid can be claimed for the previous 3 years.
- Membership subscriptions includes a proportion of subscriptions from both 2021 and 2022
- Trustees No remuneration or other benefits were paid to the charity's trustees or people connected with them.
- General administration is expenses internal to the Society. Other administration is expenses incurred with external organisations, including legal costs.
- Figures for 2019 have been included to provide comparison with the last year that was unaffected by Covid-19 restrictions.

| Statement of Assets & Liabilities at 31-Dec-21 |                        |                       |                       |                          |                            |
|--|------------------------|-----------------------|-----------------------|--------------------------|----------------------------|
| Cash Assets                                    | Bt'Fwd at<br>01 Jan 21 | Receipts<br>in Period | Payments<br>in Period | Transfers<br>in Period   | Cd'Fwd<br>at 31-<br>Dec-21 |
| <b>Cash at Bank &amp; in Hand</b>              |                        |                       |                       |                          |                            |
| Petty Cash                                     | 0                      | 6,027                 | 0                     | -6,027                   | 0                          |
| Bank, Current Account                          | 24,694                 | 7,675                 | -18,381               | 6,027                    | 20,015                     |
|  | 24,694                 | 13,702                | -18,381               | 0                        | 20,015                     |
| <b>Outstanding Transactions</b>                |                        |                       |                       |                          |                            |
| Receipts ( <i>Unreconciled Deposits</i> )      | 0                      |                       |                       |                          | 0                          |
| Payments ( <i>Unpresented Cheques</i> )        | 0                      |                       |                       |                          | 0                          |
|  | 0                      |                       |                       |                          | 0                          |
| <b>Investment Accounts</b>                     | <b>Bt'Fwd</b>          | <b>Interest</b>       |                       | <b>Net<br/>Transfers</b> | <b>Cd'Fwd</b>              |
| Bank, Deposit Account                          | 0                      | 0                     |                       | 0                        | 0                          |
| <b>Total Cash Assets</b>                       | <b>24,694</b>          |                       |                       |                          | <b>20,015</b>              |

### 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-21 |           |           |                 |               |        |               |         |
|--|-----------|-----------|-----------------|---------------|--------|---------------|---------|
| Assets   | Buildings | Equipment | Track & Fencing | Rolling stock | Canopy | Gauge 1 Track | Total   |
| Depreciation rate                                  | 3.33%     | 10%       | 10%             | 10%           | 10%    | 10%           |         |
| Base Value   | £29,855   |           |                 |               |        |               |         |
| Value at 31 Dec 20                                 | £21,910   | £1,770    | £566            | £6,300        | £5,026 | £561          | £36,133 |
| Depreciation                                       | -£995     | -£177     | -£57            | -£630         | -£503  | -£56          | -£2,417 |
| Addition in year                                   | £1,304    | £0        | £4,950          | £2,176        | £0     | £2,271        | £10,701 |
| Value at 31 Dec 21                                 | £22,218   | £1,593    | £5,459          | £7,846        | £4,523 | £2,776        | £44,416 |
| Liabilities  |           |           |                 |               |        |               |         |
| Site clearance at end of lease                     | £7,000    |           |                 |               |        |               | £7,000  |
| Net total fixed assets                             |           |           |                 |               |        |               | £37,416 |

### Declaration

The receipts and payments account for the financial period ended on 31 December 2021 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

Date

6 Jun 2022

## 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 unavoidable recurrent expenditure and the possibility of any unexpected unavoidable 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. Considering that the Society now has considerable investment in physical assets, which could be disposed of to realise significant value, the Society believes that site clearance costs could be covered by such disposal and therefore no cash allowance has been made in the reserve policy for this eventuality.

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.

#### **Calculation of a reasonable reserve target for 2021**

|                                  |         |
|----------------------------------|---------|
| Ongoing expenditure if no income | £7,000  |
| Unexpected capital expenditure   | £3,000  |
| Total                            | £10,000 |