

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

## **Accounts**

Financial Year Ended 31 December 2022

## LANCASTER AND MORECAMBE MODEL ENGINEERING SOCIETY (2018)

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## LANCASTER AND MORECAMBE MODEL ENGINEERING SOCIETY (2018)

### CHARITY DETAILS

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<b>Trustees</b>	Mr G M Brown (Chairman) Mr A Dixon Mr A Dunn Mr P Livesley Mr J McKay (To 11 December 2022) Mr G McQuire Mr B Mulholland Mr K Pearson (From 11 December 2022) Mr D Wilson Mr D C Wood
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<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
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<b>Registered office</b>	22 Naworth Drive Carlisle CA3 0DD
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<b>Scrutineers</b>	Mr Anthony Marshall Mr Richard Davey
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## **LANCASTER AND MORECAMBE MODEL ENGINEERING SOCIETY (2018)**

### **TRUSTEES REPORT**

**FOR THE YEAR ENDED 31 December 2022**

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The trustees present their report and accounts for the year ended 31 December 2022, 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 other specified days 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**

Following the lifting of the majority of Covid restrictions at the end of 2021, a full programme of passenger train operations was held during the summer until the end of October 2022. In addition to the usual Sunday operations, the Society also ran trains on Thursdays during summer School holidays and this was very well supported by the public.

The Society held a programme of evening meetings of general and educational engineering interest which were well supported by members.

The Society ran a number of events providing additional benefits to the community, in July an event for the North Lancs Downs Syndrome group, in August an event for the Bee Unique Autism Group and in October a visit from local cubs groups. The Society also held an event for our older members who, due to physical limitations, can no longer easily travel to the Cinderbarrow site.

There were also events to which other local societies were invited, including an Open day and meetings of the GL5 society, the Gauge 1 Model Railway Association and the Morris Minor Club. The Society also took part in an amateur radio event - Railways on the Air, a international event, at which Morecambe Bay Amateur Radio Society provided and operated a radio station. Members of the public were able to come and see an amateur radio station in operation and find out more about this fascinating hobby.

Work continued on replacement of the main track which had deteriorated severely over the many years of our operation. This will provide for a safer and more comfortable ride for our passengers when completed. Considerable further investment was made in this project with the purchase of another load of rail which should be sufficient to complete the whole of the inner track and some of the outer track.

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 track, demonstrating the value of this facility.

Another project which was completed was the construction of a new workshop. Thanks to a number of generous donations this has now become well equipped with engineering and machine tools. This project was largely funded by the auction of an entire donated workshop which was held by the Society and raised considerable funds. The auction was held entirely on line owing to residual concerns about the risk of spreading Covid in a large gathering of people.

## Financial review

The Society's Reserves Policy is shown at Annex 1. At the end of 2022 the Society's reserve was above target, but in view of the capital projects that the Society plans to continue in 2023, this surplus is considered reasonable. The Society benefited from the sale of an entire workshop which was donated for this purpose. This was very beneficial in progressing our major capital projects. The Society operated a full program of public train rides throughout the summer, and with significant benefit from extra running dates in the school holidays, donations associated with this reached the highest level on record. The main capital projects envisaged for 2023 and beyond are

- Continued replacement of main track
- Construction of a pathway to Gauge 1 viewing area suitable for wheelchairs
- Upgrade and replacement of signalling system for main track
- Construction of Garden Gauge track
- Construction of raised track for 5" and 3½" gauge track

Free reserves as at 31 December 2022 were £16,293

Income for the year was £21,152 and expenditure was £24,874.

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 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 2022

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This report was approved by the Trustees on .....6 June 2023..... and signed on their behalf.

  
.....  
G M Brown – Chairman

Receipts & Payments Account for the Financial Year Ended 31 Dec 22						
	Note	Financial Year, Jan'22-Dec'22				2021
	↓	General Funds	Designated Funds	Restricted Funds	Total	Total
	1	£	£	£	£	£
<b>RECEIPTS</b>						
<b>Voluntary Income</b>						
Track Donations		10,172			10,172	8,388
Other donations		564			564	2,510
Grants					0	
Gift Aid		841			841	
					0	
<b>Income Generation</b>						
Group Booking Income		0			0	0
Members' Subscriptions	3	2,585			2,585	2,764
Sale Of Misc. Items		34			34	40
		0			0	0
<b>Investment Income</b>						
<b>Charitable Income</b>						
Sale Of Donated Items		6,825			6,825	0
<b>Asset Sales</b>		132			132	0
<b>TOTAL RECEIPTS</b>		<b>21,152</b>	<b>0</b>	<b>0</b>	<b>21,152</b>	<b>13,702</b>
<b>PAYMENTS</b>						
<b>Cost Of Generating Income</b>						
Operating The Railway		0			0	550
Special Events		0			0	132
Other		578			578	114
<b>Sub-total</b>		<b>578</b>	<b>0</b>	<b>0</b>	<b>578</b>	<b>796</b>
<b>Capital Expenditure</b>						
Main Track		9,794			9,794	4,950
Gauge 1 Track		228			228	2,271
Carriage Shed		456			456	1,304
Raised Track		5			5	0
Workshop Construction		4,641			4,641	0
New Rolling Stock		280			280	4,583
Equipment		419			419	0
<b>Sub-total</b>		<b>15,823</b>	<b>0</b>	<b>0</b>	<b>15,823</b>	<b>13,108</b>
<b>Recurring Costs</b>						
Rent & Rates		0			0	800
Services		5,136			5,136	2,063
<b>Sub-total</b>		<b>5,136</b>	<b>0</b>	<b>0</b>	<b>5,136</b>	<b>2,863</b>
<b>Administration</b>						
General Administration	2	1,004			1,004	63
Other Administrative	4	362			362	0
<b>Sub-total</b>		<b>1,366</b>	<b>0</b>	<b>0</b>	<b>1,366</b>	<b>63</b>
<b>Maintaining Fixed Assets</b>		<b>1,971</b>			<b>1,971</b>	<b>1,551</b>
<b>TOTAL PAYMENTS</b>		<b>24,874</b>	<b>0</b>	<b>0</b>	<b>24,874</b>	<b>18,381</b>
<b>NET RECEIPTS-PAYMENTS</b>		<b>-3,722</b>	<b>0</b>	<b>0</b>	<b>-3,722</b>	<b>-4,679</b>

#### 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 2022 and 2023.
- 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-22						
Cash Assets	Note	Bt'Fwd at 01 Jan 22	Receipts in Period	Payments in Period	Transfers in Period	Cd'Fwd at 31- Dec-22
<b>Cash at Bank &amp; in Hand</b>	↓					
Petty cash	1	0	14	-42	36	8
Cash	2	0	7,983	-11	-7,972	0
Bank, Current Account		20,015	13,156	-24,820	7,936	16,286
		20,015	21,152	-24,874	0	16,293
<b>Outstanding Transactions</b>						
Receipts (Unreconciled Deposits)		0				0
Payments (Unpresented Cheques)		0				0
		0				0
<b>Investment Accounts</b>		<b>Bt'Fwd</b>	<b>Interest</b>		<b>Net Transfers</b>	<b>Cd'Fwd</b>
Bank, Deposit Account		0	0		0	0
<b>Total Cash Assets</b>		<b>20,015</b>				<b>16,293</b>

#### Notes

- 1 Petty cash                      Petty consists of funds held in the safe at the Cinderbarrow site for the purpose of small purchases of consumables.
- 2 Cash                              Cash consists of donated funds held by Trustees prior to paying into the bank or transferring to Petty cash.

#### 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-22							
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 21	£22,218	£1,593	£5,459	£7,846	£4,523	£2,776	£44,416
Depreciation	-£995	-£159	-£546	-£785	-£452	-£278	-£3,215
Addition in year	£0	£419	£9,794	£0	£0	£0	£10,213
Value at 31 Dec 22	£21,223	£1,852	£14,707	£7,062	£4,071	£2,498	£51,414
Liabilities							
Site clearance at end of lease	£7,000						£7,000
Net total fixed assets							£44,414

#### Declaration

The receipts and payments account for the financial period ended on 31 December 2022 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

26 June 2023  
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. 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.

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.

Regarding discretionary expenditure, in a change from previous annual reports, the funds required for planned capital projects are no longer included in the reserve policy, but are listed in the Financial Review on page 5.

#### **Calculation of a reasonable reserve target for 2022**

Ongoing expenditure if no income	£7,000
Unplanned capital expenditure	£3,000
<b>Total</b>	<b>£10,000</b>