

Lancaster and Morecambe Model Engineering Society (2018)

Accounts

Financial Year Ended 31 December 2023

LANCASTER AND MORECAMBE MODEL ENGINEERING SOCIETY (2018)

CONTENTS

Charity Details	3
Trustee's Report	4
Financial Review	5
Receipts and Payments Account	7
Statement of Assets and Liabilities	9
Tangible Fixed Assets and Liabilities	10
Declaration	10
Annex 1 Reserve Policy	11

LANCASTER AND MORECAMBE MODEL ENGINEERING SOCIETY (2018)

CHARITY DETAILS

Trustees	Mr G M Brown (Chairman)	
	Mr A Dixon	
	Mr A Dunn	
	Mr R Higgins	(From 4 July 2023 to 1 December 2023)
	Mr P Livesley	
	Mr G McQuire	
	Mr B Mulholland	
	Mr K Pearson	
	Mrs S Pearson	(From 14 December 2023)
	Mr D Wilson	
	Mr D C Wood	

Charity Names	Lancaster and Morecambe Model Engineering Society (2018)
Working name	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 2023

The trustees present their report and accounts for the year ended 31 December 2023, 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 and throughout the year on other specified days. 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

A full programme of passenger train operations was held during the summer until the end of October 2023 and occasionally to the end of the year depending on staffing and the weather. In addition to the usual Sunday and Bank Holiday 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. Monthly members running evenings were held from April to the end of the year which were well supported by members of other local clubs. The Society ran a number of events providing additional benefits to the community, an event for the North Lancs Downs Syndrome group, an event for the Bee Unique Autism Group and a visit from local cubs groups.

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 and was completed by the end of March. This will provide for a safer and more comfortable ride for our passengers. Considerable further investment was made in this project with the purchase of another load of rail which was sufficient to complete the whole of the inner track and should be enough to complete two thirds 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 Gauge 1 track, demonstrating the value of this facility. Our membership increased to over 130. The Society began a project to set up a Garden Rail layout adjacent to our Gauge 1 track, It is intended to extend this significantly over coming years. It has been a particular attraction for young children.

Financial review

The Society's Reserves Policy is shown at Annex 1. At the end of 2023 the Society's reserve was above target, but in view of the capital projects that the Society plans to continue in 2024, this surplus is considered reasonable. 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 continued at a high level. The main capital projects envisaged for 2024 and beyond are

- Continued replacement of main track
- Upgrade and replacement of signalling system for main track
- Construction of Garden Gauge track
- Construction of raised track for 5" and 3½" gauge trains which involves moving the public footpath in order to provide space for it.

Free reserves as at 31 December 2023 were £21,524.

Income for the year was £17,544 and expenditure was £12,313.

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 9.

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 2023

This report was approved by the Trustees on11-6-24..... and signed on their behalf.



G M Brown – Chairman

Receipts & Payments Account for the Financial Year Ended 31 Dec 23						
	Note	Financial Year, Jan'23-Dec'23				2022
	↓	General Funds	Designated Funds	Restricted Funds	Total	Total
RECEIPTS	1	£	£	£	£	£
Voluntary Income						
Track Donations		9,566			9,566	10,172
Other donations		1,743			1,743	564
Grants					0	
Gift Aid		1,244			1,244	841
Defibrillator campaign		697			697	0
Income Generation						
Group Booking Income		850			850	0
Members' Subscriptions	3	3,335			3,335	2,585
Sale Of Misc. Items		85			85	34
Investment Income		0			0	0
Charitable Income		0			0	
Sale Of Donated Items		0			0	6,825
Asset Sales		24			24	132
TOTAL RECEIPTS		17,544	0	0	17,544	21,152
PAYMENTS						
		£	£	£	£	£
Cost Of Generating Income						
Operating The Railway		13			13	0
Special Events		267			267	0
Other		452			452	578
Sub-total		732	0	0	732	578
Capital Expenditure						
Main Track		1,353			1,353	9,794
Gauge 1 Track		0			0	
Pathway To Gauge 1 Track		0			0	228
Garden Rail		302			302	456
Raised Track		19			19	5
New Rolling Stock		0			0	280
Equipment		0			0	419
Defibrillator		841			841	0
Signalling		305			305	0
Office Equipment		490			490	
Sub-total		3,309	0	0	3,309	11,182
Recurring Costs						
Rent & Rates	5	1,600			1,600	0
Services		4,550			4,550	5,136
Sub-total		6,150	0	0	6,150	5,136
Administration						
General Administration	2	595			595	1,004
Other Administrative	4	498			498	362
Sub-total		1,093	0	0	1,093	1,366
Maintaining Fixed Assets		1,029			1,029	1,971
TOTAL PAYMENTS		12,313	0	0	12,313	20,232
NET RECEIPTS-PAYMENTS		5,231	0	0	5,231	920

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.

- 3 Membership subscriptions includes a proportion of subscriptions from both 2023 and 2024.
- 4 General administration is expenses internal to the Society. Other administrative is expenses incurred with external organisations, including legal costs.
- 5 We paid for two year's rent in 2023 (2022 and 2023)

Statement of Assets & Liabilities at 31-Dec-23						
Cash Assets		Bt'Fwd at 01 Jan 23	Receipts in Period	Payments in Period	Transfers in Period	Cd'Fwd at 31 Dec 23
	Note					
Cash at Bank & in Hand	↓					
Petty cash	1	8	9	-90	119	45
Cash	2	0	7,453	0	-7,413	40
Bank, Current Account		16,286	10,083	-12,223	7,295	21,440
		16,293	17,544	-12,313	0	21,524
Outstanding Transactions						
Receipts (Unreconciled Deposits)		0				0
Payments (Unpresented Cheques)		0				0
		0				0
Investment Accounts		Bt'Fwd	Interest		Net Transfers	Cd'Fwd
Bank, Deposit Account		0	0		0	0
Total Cash Assets		16,293				21,524

Notes

- Petty cash
Petty cash consists of funds held in the safe at the Cinderbarrow site for the purpose of small purchases of consumables.
- 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

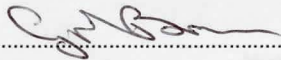
The Society has a potential liability, estimated at £7000, for clearance of the site at the end of the lease or should the Society be wound up. This is shown below as a charge against total assets.

Tangible Fixed Assets and liabilities at 31-Dec-23							
Assets	Buildings	Equip- ment	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 22	£21,223	£1,852	£14,707	£7,062	£4,071	£2,498	£51,414
Depreciation	-£995	-£185	-£1,471	-£706	-£407	-£250	-£4,014
Addition in year	£0	£305	£1,353	£0	£0	£0	£1,658
Value at 31 Dec 23	£20,228	£1,972	£14,590	£6,356	£3,664	£2,248	£49,057
Liabilities							
Site clearance at end of lease	£7,000						£7,000
Net total fixed assets							£42,057

Declaration

The receipts and payments account for the financial period ended on 31 December 2023 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

21-7-24

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, Insurance, 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, the funds required for planned capital projects are not included in the reserve policy, but are listed in the Financial Review on page 5.

Calculation of a reasonable reserve target for 2023

Ongoing expenditure if no income	£7,000
Unplanned capital expenditure	£3,000
Total	£10,000