



East Lancashire Railway Preservation Society Limited

(A company limited by guarantee)

Annual Report for the Year Ended 31st December 2021

**(see also appended reports of Financial Statements and
Report of Independent Financial Examiner)**

**Charity Number 1190609
Company Number 11773904**

East Lancashire Railway Preservation Society Limited
Annual Report for the Year Ended 31st December 2021

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East Lancashire Railway Preservation Society Limited

Annual Report for the Year Ended 31st December 2021

The Trustees present their report for the year together with appended Financial Accounts as approved by them and the Independent Financial Examiner.

Reference and Administrative Information

Charity Name East Lancashire Railway Preservation Society Limited

Charity Registration Number 1190609

Company Registration Number 11773904
Registered Office 70 Glenmore
Chorley
Lancashire
PR6 7TB

Trustees and Management Board of Directors

Mr D. Wright	Chair
Mr G. Atherton	Vice Chair
Mr H. Ford FCCA	Finance Director
Mr M. Adams	
Mr P. Aspinall	
Mr G. Clarkson	
Mrs J. Crompton	(appointed 4 th November 2021)
Mr S. Gregory	
Mr A. Hardman	(resigned 26 th August 2021)
Mr R. Lushman	
Mr C. Moore	(resigned 26 th August 2021)
Mr M. Rosebury	
Mr G. Spencer	(resigned 26 th April 2021)
Mr J. Tate	
Mr D. Vause	
Mr D. Wilson	
Mrs M. Wilson	

Independent Financial Examiner Mr D. Reeve

Bankers HSBC, 2 Market Street, Bury, Lancashire BL09 0AN

Our Aims and Objectives

Purposes and Aims

Our charity's purposes as set out in the Objects clause in the company's Articles of Association are to:

- advance education for the benefit of the public in the history, heritage construction, engineering and operation of the East Lancashire Railway in such ways and by such means as the trustees shall determine and by supporting the charitable work of the East Lancashire Light Railway Company Limited (registered charity number 1186648).

The aims of our charity are:

- to preserve the whole or part of the ex-British Railways branch line between Rawtenstall and Castleton Junction through Bury together with its connection to the National Rail network;
- to operate, restore, maintain and improve locomotives, rolling stock, infrastructure and all other objectives of the said railway;
- to encourage volunteer activity in the furtherance of its aims.

Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review looks at what we have achieved and the outcomes of our work in the previous twelve months. The review also helps us ensure our aim, objectives and activities remain focused on our stated purposes. We have referred to the guidance provided by the Charity Commission when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The focus of our work

Our main objectives for the year were to support the East Lancashire Light Railway Company limited through the effects of the COVID pandemic and the related shut-down of its activities for much of the year.

This we achieved by delivery of a Grants totalling £129,000 which alongside other funding from various sources enabled the railway to survive and ultimately deliver both its, and our own stated purposes.

Financial Review

The Accounts for the year ended 31st December 2021 are included with this report. The key areas are highlighted within the accounts, however, to summarise:

- Members Subs were slightly up on previous year at £53,893
- The charity was able to donate £129,000 to the East Lancashire Light Railway Company Limited as an Emergency COVID-19 Grant to help survival over the enforced lock-down of activities
- The charity's reserves currently sit at £53,242 and cash assets remain satisfactory at £131,723

The exceptional Grant to the East Lancashire Light Railway Company Limited has been made due to prudent management of Society Funds over a number of years and the Board intend this to be continued as a fundamental pillar in our management processes.

A major success has been to become a Registered Charity which was achieved in July 2020. This now enables the Society to claim Gift Aid which could increase our income by between £5k and £10k pa depending on how many members sign up to the process.

Whilst the year has been problematic for many businesses and organisations, the Society has been largely unaffected other than the Grant made to the East Lancashire Light Railway Company Limited. Since our income has been unaffected, it has meant that any Government or other Grants have not been available to us, however we are keeping this under constant review in case we become entitled to anything. We are mindful that the effects of COVID-19 may well be felt well beyond 2021 and are planning cost savings to carry us through in case of any drop in membership as personal incomes are squeezed as we come out of the pandemic and the effects of worldwide economic turmoil.

We cannot plan with certainty for the future; however, we will continue to manage the finances of the Society in a prudent manner to ensure it remains in a strong position to meet challenges which may lie ahead.

Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated in January 2019, and registered as a charity in July 2020. The company was established under a Memorandum and Articles of Association which established the objects and powers of the charitable company. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

Recruitment and Appointments to the Board of Directors and Trustees

All Directors are also Trustees of the charity for the purpose of charity law and under the requirements of the company's Articles of Association. Under those requirements, any director is appointed for a period of three years after which they must be re-elected at the next Annual General Meeting.

All Director/Trustees give their time voluntarily and receive no benefits from the charity. Any expenses claimed from the charity must be supported by appropriate receipts and have been pre-approved as a legitimate expense under the financial management of the charity.

Risk Management

The Board has conducted a review of the major risks to which the charity is exposed and established policies and procedures to minimise any adverse risk. This covers both data and financial risks. Risks and mitigating actions are kept under constant review and updated as appropriate.

Organisation Structure

The business of the charity is administered by the Board who meet on a regular basis, normally monthly. Certain members of the Board have specific responsibilities based on their experience and professional backgrounds.

The Board has appointed an 'Executive' which consists of the Chairman, two Vice-Chairman and the Finance Director to carry out the work of the charity where the full Board is unable to operate due to timing or other reasons.

Related Parties

The charity has no related parties in a corporate legal sense but is linked in its charitable aims with the East Lancashire Light Railway Company Limited as noted above.

Responsibilities of the Board

Company law requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its income and expenditure for the financial year. In preparing those financial statements the Board has followed best practice in:

- selecting suitable accounting policies and applying them consistently;
- making judgements that are reasonable and prudent;
- preparing the financial statements on a going concern basis unless it is not appropriate to do so.

The Board is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 1985. The Board is also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Members of the Board

The Board members who are also Directors and Trustees who served during the period of this report are set out at the beginning of this report.

In accordance with company law, as the directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's Independent Financial Examiner is aware; and
- as the directors of the company, we have taken all the steps that we ought to have taken in order to make ourselves aware of any such information.

Report signed on behalf of the directors and trustees of East Lancashire Railway Preservation Society Limited

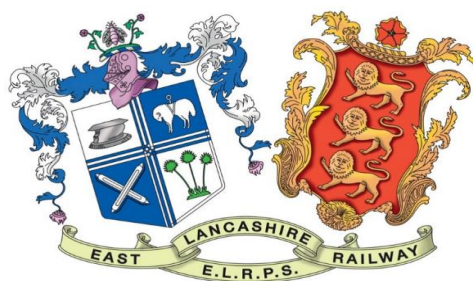
D. Wright – Chairman, Director and Trustee

H. Ford FCCA – Director and Trustee

5th October 2022

EAST LANCASHIRE RAILWAY PRESERVATION SOCIETY LIMITED

**ACCOUNTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2021**



Financial Statement for the Year Ending 31 December 2021

Review

The attached financial statements show the results of the Society for the year ended 31st December 2021 and it's financial position at that date.

The Society has delivered a surplus for the year of £37,326 (2020: Defecit £45,281).

Income from Members Subscriptions was static at a similar level to last year however Gift Aid has delivered a further £9,428 of income in the year. Provision has been made for £5,500 for Postage and Printing of the ELR Review to be issued post year end.

The Directors consider that the Society remains in a satisfactory financial position with cash assets of £131,723 (2019: £81,551).

After deduction for reserves protecting the prudent use of these funds the Accumulated Fund stands at £58,742 (2019: £21,416). Action has been taken to increase the Accumulated Fund in 2021 to protect the Society for the future. This included registering the Society as a Charity which was granted on 28th July 2020 and also measures to reduce costs.

The detailed accounts are shown on the following pages.

Financial Statement for the Year Ending 31 December 2021
Income and Expenditure Account

	2021	2020
Income	£	£
Membership Subscriptions		
1 year	23,886	21,474
3 years	19,837	19,155
Life	10,170	10,535
Total Received in year	53,893	51,164
Deferred Membership Subscriptions		
Brought forward from previous year	60,120	60,238
Carried Forward to following year	(72,485)	(60,120)
Total Adjustment for Deferred Subscriptions	(12,365) Note 2	118
Total Membership Subscriptions	41,528	51,282
Other Income		
Donations	9,166	10,320
Gift Aid	9,428	0
Drawdown from Bequest Fund	0	21,591
Interest Receivable	93	678
Total Other Income	18,687	32,589
Total Income	60,215	83,871
Expenditure		
Membership Communications		
ELR News Production	7,568	8,537
ELR News Postage	8,794	8,659
Other	193	238
Total Membership Communications	16,555	17,434
Society Marketing		
Publicity and Marketing Materials	122	120
Other	0	0
Total Society Marketing	122	120
Society Administration		
AGM Expenses	3,257	7,404
Society Council	257	224
Building Maintenance	500	620
Miscellaneous	360	391
Total Society Administration	4,374	8,639
Membership Administration		
Membership Cards and Forms	75	1,842
Postage and Mailing Costs	1,830	2,134
Certificates, Ties and Awards	191	1,746
Office Equipment Depreciation	236	189
Information Technology	2,582	2,486
Bank and Credit Card Charges	852	562
Total Membership Administration	5,766	8,959
ELR Co Funding		
COVID-19 Crisis Grant	1,572	129,080
Track Relay	0	(35,000)
Total ELR Co Funding	1,572	94,080

Total Expenditure	28,389	129,232
Corporation Tax Payable	0 Note 3	(80)
Surplus/(Defecit) for Year including Exceptional Items	31,826	(45,281)
Less Transferred to Bequests Reserve	0	0
Surplus/(Defecit) for Year excluding Exceptional Items	31,826	(45,281)

Financial Statement for the Year Ending 31 December 2021
Balance Sheet

	2021	2020
	£	£
Fixed Assets		
Computer and Office Equipment	199	675
Current Assets		
Cash at Bank		
Cash in Current A/c	48,647	7,236
Cash in Deposit A/c	0	9,497
Cash in Vernon BS Deposit A/c	82,905	62,813
Cash in Paypal A/c and ELLR Co Credit Card A/c	171	2,005
Total Cash at Bank	131,723	81,551
Other Debtors and Prepayments		
Prepayments	20	0
Total Other Debtors and Prepayments	20	0
Total Current Assets	131,743	81,551
Current Liabilities		
Trade Creditors and Accruals		
trade Creditors and Accruals	6,215	690
Total Trade Creditors and Accruals	6,215	690
Reserves against Income:		
Deferred Subscription Fund	72,485 Note 2	60,120
Total Reserves against Income:	72,485	60,120
Total Current Liabilities	78,700	60,810
Net Current Assets	53,043	20,741
Net Assets	53,242	21,416
Represented by:		
Members Funds		
Accumulated Fund		
Brought forward	21,416	66,697
Profit/(Loss) for Year	31,826	(45,281)
Carried forward	53,242	21,416
Total Members Funds	53,242	21,416

Approved on behalf of the Board of the East Lancashire Railway Preservation Society Limited:
H. Ford FCCA - Finance Director and Trustee
D. Wright- Chairman and Trustee

Financial Statement for the Year Ending 31 December 2021

Notes to the Accounts

- 1** The Financial Statements have been prepared from the accounting records of the Society in accordance with UK Generally Accepted Accounting Principles (GAAP).
An independent review has been carried out by the company's internal auditor who is satisfied with the statements.
- 2** Provision is made for Member's Subscriptions paid in advance. This provision is released in accordance with the period of membership related thereto be it 1 year, 3 years or life membership. The balance of subscriptions paid in advance and not released is shown in Reserves on the balance sheet.
- 3** As a registered Charity, none of the company's income is subject to taxation.

Independent examiner's report to the Trustees of the East Lancashire Railway Preservation Society Limited

Charity No. 1190609

I submit my report on the accounts of the charity for the year ended 31st December 2021.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under the Charities Act 2011 and that an independent examination is needed.

It is my responsibility to:

- Examine the accounts under section 145 of the 2011 Act
- Follow the procedures laid down under the general directions given by the Charity Commission under section 145(5)(b) of the 2011 Act
- State whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was conducted 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 from 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.

Independent examiner's statement

Having completed my examination, I confirm that no matter has come to my attention in connection with the examination giving me cause to believe that in any material aspect and I am satisfied that:

1. The accounting records were kept in respect of the charity as required by section 130 of the 2011 Act; or
2. The accounts accord with those records; or
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.

I have no concerns and come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Don Reeve

Independent Examiner

Date 2nd April 2021