MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED

England & Wales · Charity number 266801

Details

Other names	M N L P S LTD
Status	Registered
Legal form	Charitable company
Company number	01114826
Registered	1975-06-30
Register	View on the Charity Commission register

Contact

Address	9 Burrage Road Redhill RH1 1TL
Phone	07751 613221
Email	secretary@clan-line.org.uk
Website	http://www.clan-line.org.uk

Activities

Objects: TO PRESERVE AND MAINTAIN IN OPERATIONAL CONDITIONS EX SOUTHERN REGION MERCHANT NAVY CLASS LOCOMOTIVE "35028" "CLAN LINE" AS AT THE TIME OF WITHDRAWAL AND TO ENCOURAGE AND PROMOTE PUBLIC INTEREST IN THE PRESERVATION OF STEAM AND OTHER RAILWAY LOCOMOTIVES AND ROLLING STOCK MACHINERY AND EQUIPMENT OF HISTOICAL INTEREST AND IN RAILWAYS LOCOMOTIVES ROLLING STOCK AND RAILWAY MACHINERY AND EQUIPMENT GENERALLY. (FOR FURTHER DETAILS SEE CLAUSE 3 OF MEMORANDUM OF ASSOCIATION)

Activities: The object and principal activity of the M.N.L.P.S. is to preserve and maintain in an operational condition, to main line standards, ex-British Railways Southern Region 'Merchant Navy' Class locomotive No. 35028 'Clan Line' and to encourage and promote public interest in the preservation of steam and other railway locomotives and rolling stock, railway machinery & equipment of historical interest.

Downloaded from opencharities.uk/ew/266801

Classification

- **How:** Provides Human Resources
- **What:** Education/training, Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£454,878	£570,922	-	-
2023-12-31	£298,477	£248,397	-	-
2022-12-31	£177,016	£200,873	-	-
2021-12-31	£164,316	£70,035	-	-
2020-12-31	£57,731	£34,639	-	-

Trustees

Name	Role	Appointed
CHRISTOPHER MARTIN ELLICK		2013-06-12
DAVID EASSON		2026-02-10
David Mowat		2019-09-07
Desmond Philip Shepherd		2023-02-15
Howard George Reynolds		2024-10-19
Ian Millward		2019-09-07
James Cummins		2021-03-18
Simon Alexander Charles Martin		2019-02-01
Thomas Paul McPherson		2024-07-20

Downloaded from opencharities.uk/ew/266801

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED

England & Wales - Charity number 266801

Accounts

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED

(A company limited by guarantee having no share capital)

REPORT AND FINANCIAL STATEMENTS

Year Ended 31st December 2024

BLAIN PRITCHARD LIMITED
Chartered Certified Accountants

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED

(A company limited by guarantee having no share capital)

CONTENTS **PAGES**

Report of the Council of Management	1 - 3
Statement of the Council of Management's Responsibilities	4
Report of the Independent Examiner	5
Statement of Financial Activities	6
Balance Sheet	7
Notes to the Accounts	8 - 11

STATUS OF SOCIETY

The Society is registered under the Companies Act (No. 1114826) as a company limited by guarantee and as a Charity (No. 266801).

REGISTERED OFFICE AND PRINCIPAL ADDRESS

9 Burrage Road
Redhill
Surrey
England, RH1 1TL

BANKERS

Lloyds TSB Plc
Whitstable
Kent

INDEPENDENT EXAMINERS

Mr L.C. Seal FCCA FAIA
Blain Pritchard Limited
Chartered Certified Accountants
74 College Road
Maidstone
Kent
ME15 6SL

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY
(A Company limited by guarantee having no share capital)
REPORT OF THE COUNCIL OF MANAGEMENT
For the year ended December 31st, 2024

The Society's Directors/Trustees (the Council of Management – the Council) present their annual report and independently examined accounts for consideration by the membership at the Society's 52nd Annual General Meeting scheduled for Saturday, July 12th, 2025. The Council confirm the report and financial statements comply with the requirements of the Charities Act 2011, the Companies Act 2006 and the Statement of Recommended Practice (SORP) 2005 (second edition).

Organisation

The M.N.L.P.S. is constituted as a company limited by guarantee, and is governed by a memorandum and articles of association. The Company is incorporated in England under the Companies Act 2006 (No 01114826). The Society is also registered with the Charity Commission under the Charities Act 2011 (No 266801). M.N.L.P.S. Limited is the sole shareholder in a subsidiary company *MNLPS (Operating) Limited*, which is responsible, under a fee-payable licence issued to it by the Society, for the operation and day-to-day maintenance (excluding major overhauls) of the locomotive. Ownership of the locomotive remains with the Society at all times.

Council of Management Statement

The Council met on ten occasions when it addressed both routine business and specific matters of importance. In doing so it continued to address the opportunities and risks the Society might face, with the intention of establishing and developing policies, strategies, practices and systems aimed at maximizing opportunities whilst minimizing significant risks, be they commercial, financial, human resources or health & safety. The Council continued to review the means by which the Society achieves its aims and objectives paying due regard to and compliance with the Charity Commission's guidance on meeting the requirements on public benefit.

The Council worked closely with and was supported by the board of directors of the operating subsidiary together with a Marketing & Operations Sub-Committee (MOSC) both of which also met regularly.

Health and safety remained at the forefront in all aspects of the management and operations of the Society and its subsidiary arm. The Council is fully committed to ensuring that policies, supporting manuals and procedures continue to evolve, develop and change in line with the standards, legislation and other external changes and are adhered to by all those members undertaking the various tasks required to enable the locomotive and support coach to be operated. To this end the management system is considered as 'live', with regular on-going review and amendment as necessary. There were no reportable accidents to working party members during the year.

In keeping with the Directors'/Trustees' responsibilities for keeping adequate reserves, they continue their policy of maintaining sufficient funds as free reserves of the Company at a level to sustain indefinite operation. With that in mind, the Society recorded a financial deficit of over £116,000 and at the year's end was valued at a little over £344,000. Income and Expenditure amounted to approximately £455,000 and £571,000, respectively. It should be noted that in keeping with the requirements of Society's Memorandum and Articles of Association, no portion the income is paid either directly or indirectly to its members. The Society's Tangible Fixed Assets are detailed on the Balance sheet. Acquisitions and disposals of Tangible fixed assets are shown at the accompanying notes to the accounts. The Company's main asset, Locomotive No. 35028, is shown at its purchase price in 1967 of £2,200. It will be appreciated, that its current realisable value, whilst extremely difficult to establish precisely, is considerably in excess of this figure.

Excluding many days of unrecorded effort on managerial and commercial tasks, 75 members assisted the Society voluntarily in various capacities and their combined efforts amounted to 1421 days of recorded work; a considerable increase on previous years, which was highly commendable and held in high regard by the Council.

The Society was saddened to record the passing of several long standing members including Desmond Crook, Elizabeth Harvey, Andrew Pullenrish Starks and more recently Norman Hockley. The Council extends its condolences to their respective families and friends. At December 31st membership stood at 472.

Principal Activities

The object and principal activity of the M.N.L.P.S. is the preservation and maintenance in operational condition of ex-British Railways Southern Region *Merchant Navy Class* steam locomotive No 35028 *'Clan Line'*. At the heart of this activity is a working symbol of the United Kingdom's industrial heritage and, as such, should be seen in the context of a working museum. The foundation of the Society's status as a charity lies in its activities associated with education and it is proud therefore to encourage and promote public interest in railways generally as well as the preservation of steam locomotives. *Clan Line* is operated for the benefit of both current and future generations and the Society is particularly keen to encourage young people in this regard.

Following the locomotive's return to 'traffic' in April, after an absence of 18-months, the operating subsidiary ran 19 mainline railtours mostly in south-eastern & south-western England. In doing so it ran a little over 4,000 miles in the space of 8 months. 77% of the runs were with the *Belmond British Pullman* from its Stewarts Lane base in London to destinations in Kent and to Bristol – the former having superseded those on the 'Surrey Hills' route and proved very popular. These runs carried in excess of 3,000 passengers – many of whom visited the engine's footplate either before or after the run, which once again presented the opportunity for them to talk to the locomotive crew – and were seen by countless others on stations and the lineside. The remaining runs involved 3rd party charters taking the engine to Devon, Dorset, Somerset and Worcestershire.

The locomotive also attended an open-day at Willesden for the benefit of employees and family members of companies involved with the construction of the 'HS2' railway in the London area. With co-operation of Belmond it was possible to arrange an accompanied visit by a father with his severely autistic son to the Society's base at Stewarts Lane. Whilst these visits enabled us to educate individuals in the various controls and complexities involved it is recognised that the environment of the locomotive when in steam is hazardous. To this end, under our legal responsibilities to others affected by our activities, access is strictly controlled, and visitors informed of the various hazards encountered.

The Society expanded its activity on the social media outlets *Meta (formerly Facebook), Instagram* and *X (formerly Twitter)* with a monthly following that grew steadily. By year's end there were approximately 8,000 'followers' over the various social platforms. The Society's own comprehensive website, providing much educational and historical material, was updated regularly particularly with news items. To help keep *Clan Line* in the public eye successful relationships were nurtured with both the specialist railway press and railway orientated discussion forums. 2024 also saw the Society launch a *Linkedin* page.

Chairman's Overview

In contrast to 2023, which had been a stressful year with the need for continuing but essential locomotive repairs, 2024 saw a change of fortune with engine returning to traffic once more. It was particularly pleasing that the repairs were completed (albeit not without much hard work, by both contractors and society volunteers) in time to celebrate 50 years' of *Clan Line* running on the main line as a preserved locomotive. The year saw a number milestones being passed. Saturday, April 27th, 2024 marked the 50th anniversary, to-the-day, of the first such main-line run. For *Clan Line* to run once more, half a century on, over the same route taken exactly fifty years earlier was a remarkable achievement – of which the Society can be truly proud. Additionally, the locomotive attained 100,000 miles of mainline operation under MNLPS ownership, whilst on a run to Weymouth and her 500th main line trip under M.N.L.P.S. ownership.

Composition of the Council saw a number of changes during the year, primarily as a result of two of its members standing down – Richard Gretton from the chairmanship and David Easson as Production Manager. Richard's immediate successor as chairman, George Williams, subsequently stood aside for personal reasons. The Council joins me in extending grateful thanks to each of them for their dedicated service – in the case of David Easson for nearly half a century.

Howard Reynolds

Members of the Council of Management

				Attendance at meetings
	H. G. Reynolds	(Chairman)	(co-opted September 22nd, 2024)	3/3
*	D. Shepherd	(Secretary)		9/10
*	S. A. C. Martin	(Treasurer)		8/10
	J. Cummins			8/10
	D. Easson	(resigned July 20th, 2024)		4/5
	R. F. Gretton	(resigned July 20th, 2024)		5/5
*	C. M. Ellick			7/10
	S Holman	(co-opted August 10th, 2024)		5/5
	T McPherson	(co-opted August 10th, 2024)		5/5
	I. Millward			9/10
	D Mowat			9/10
	G Williams	(resigned September 1st, 2024)		5/6

In accordance with the Articles of Association the members asterisked retire at the 2025 Annual General Meeting and being eligible offer themselves for re-election. Messrs Holman, McPherson & Reynolds stand for election after being co-opted following the 51st AGM.

Auditors

Following membership agreement at the 51st AGM, the Council of Management appointed Blain Pritchard Limited as Independent Examiners to the Company. Both parties agreed that the appointment and the fee would be reviewed after a further year.

D Shepherd

D. Shepherd
Secretary
April 30, 2025

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED

(A company limited by guarantee having no share capital)

Statement of the Council of Management's Responsibilities

Company and charity law requires the Council of Management, who also act as trustees for the charitable activities of the company, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the Council of Management are required to;

* select suitable accounting policies and then apply them consistently;

* make judgements and estimates that are reasonable and prudent;

* state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

* prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Council of Management are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Examiner's Report to the trustees of the Merchant Navy Locomotive Preservation Society Limited

I report on the accounts of the Merchant Navy Locomotive Preservation Society Limited for the year ended 31st December 2024, which are set out on pages 6 to 11.

Respective responsibilities of trustees and examiner

The Directors/Trustees are responsible for the preparation of the accounts. The charity's Trustees consider that an audit is not required for this year under section 145 of the Charities Act 2011 and that an independent examination is needed.

Having been satisfied that the charity is not subject to an audit under company law and is eligible for independent examination it is my responsibility to:

- examine the accounts (under section 145 of the 2011 Act);
- to follow the procedures laid down in the General Directions given by the Charity Commissioners (under sections 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. That examination includes a review of the accounting records kept by the charity and a comparison of the accounts with those records. It also includes considering 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 I do not express an opinion as to whether the accounts present a 'true and fair view' and the report is limited to matters set out in the statement below.

Independent examiner's statement
In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements

- to keep accounting records in accordance with s386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities (revised 2005)

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

L C Seal FCCA FAIA
Blain Pritchard Limited
Chartered Certified Accountants
74 College Road
Maidstone
Kent
ME15 6SL

30th April 2025

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31st DECEMBER 2024

	General Purpose Funds	Other Unrestricted Funds	Endowment Funds	2024 Total Funds	2023 Total Funds
INCOMING RESOURCES					
Donations, gifts and similar incoming resources	49,788	-	-	49,788	71,391
Legacies received	4,308	-	-	4,308	187,427
Investment Income	2,291	-	-	2,291	2,749
Trading in furtherance of charitable activities	112,010	-	-	112,010	36,954
OpCo Licence fees	185,696	-	-	185,696	-
Sundry income	100,786			100,786	-
TOTAL INCOMING RESOURCES	**454,878**	-	-	**454,878**	**298,521**
CHARITABLE RESOURCES EXPENDED					
Support Costs					
Locomotive & rolling stock maint. & consumables	475,964	-	-	475,964	212,836
Transport Expenses		-	-	-	-
Insurance, Rent & Sundry expenditure	74,932	-	-	74,932	26,179
Trading Activities					
Production of Society Magazine	1,350	-	-	1,350	1,508
"200 Club" prizes & Registration	700	-	-	700	(1,111)
Other Expenditure					
Governance costs	8,188	-	-	8,188	9,029
Third party charge	9,788			9,788	
TOTAL RESOURCES EXPENDED	**570,922**	-	-	**570,922**	**248,441**
Profit / (Loss) on disposal of Fixed Asset	-	-	-	-	-
Profit / (Loss) on revaluation of Investment Asset	-	-	-	-	100
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS	**(116,044)**	-	-	**(116,044)**	**50,181**
Transfer between Funds	-	-	-	-	-
NET INCOMING/(OUTGOING) RESOURCES	**(116,044)**	-	-	**(116,044)**	**50,181**
FUND BALANCES brought forward at 1st January 2024	**447,719**	**12,339**	-	**460,058**	**409,877**
FUND BALANCES carried forward at 31st December 2024	**331,675**	**12,339**	-	**344,014**	**460,058**

The notes on pages 8 to 11 form part of these financial statements

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED
BALANCE SHEET
31st DECEMBER 2024

	Note	2024		2023	
		£	£	£	£
FIXED ASSETS	(5)				
Locomotive 35028			2,200		2,200
Locomotive spares			500		500
Tools and equipment			1,139		1,139
Coach (BFK) - 17096			4,000		4,000
Coach (BFK) - 34701			4,500		4,500
			12,339		12,339
CURRENT ASSETS					
Stock of coal		7,700		6,670	
Stock of sale items		7,716		2,596	
Debtors	(6)	136,820		81,005	
Investment - share in subsidiary		1		1	
Investment - CAF Fund		1,383		1,383	
Cash at bank and in hand		271,052		357,684	
		424,672		449,339	
CREDITORS amounts falling due within one year	(7)	92,997		1,620	
			331,675		447,719
			344,014		**460,058**
Represented by:			(0)		
INCOME FUNDS					
Unrestricted funds:					
General Purpose funds					
Balance as at 1st January 2024		447,719		397,538	
Transfer from Statement of Financial Activities		(116,044)		50,181	
			331,675		447,719
Other unrestricted funds					
Balance as at 1st January 2024		12,339		12,339	
Transfer from (to) Statement of Financial Activities		-		-	
			12,339		12,339
			344,014		**460,058**

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st December 2024.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st December 2024 in accordance with Section 476 of the Companies Act 2006.

The Council of Management acknowledge their responsibilities for:

a) ensuring the ensuring the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and

b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Council of Management on 30th April 2025

H. Reynolds
Chairman

S.A.C. Martin
Treasurer

The notes on pages 8 to 11 form part of these financial statements.

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED

Notes to the Accounts
For the Year ended 31st December 2024

Note 1 Basis of preparation

1.1 **Basis of accounting**

These accounts have been prepared on the basis of historic cost and in accordance with:
- Accounting and Reporting by Charities - Statement of Recommended Practice (SORP (FRS 102));
- and with the Charities Act 2011.

1.2 **Change in basis of accounting**

There has been no change to the accounting policies (valuation rules and methods of accounting) since last year.

1.3 **Changes to previous accounts**

No changes have been made to accounts for previous years.

Note 2 Accounting policies

INCOMING RESOURCES

Recognition of incoming resources	These are included in the Statement of Financial Activities (SoFA) when: - the charity becomes entitled to the resources; - the trustees are virtually certain they will receive the resources; and - the monetary value can be measured with sufficient reliability.
Incoming resources with related expenditure	Where incoming resources have related expenditure (as with fundraising or contract income) the incoming resources and related expenditure are reported gross in the SoFA.
Grants and donations	Grants and donations are only included in the SoFA when the charity has unconditional entitlement to the resources
Tax reclaims on donations and gifts	Incoming resources from tax reclaims are included in the SoFA at the same time as the gift to which they relate.
Contractual income and performance related grants	This is only included in the SoFA once the related goods or services have been delivered.
Gifts in kind	Gifts in kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised. Gifts in kind for sale or distribution are included in the accounts as gifts only when sold or distributed by the charity. Gifts in kind for use by the charity are included in the SoFA as incoming resources when receivable.

Notes to the Accounts
For the Year ended 31st December 2024

Donated services and facilities	These are only included in incoming resources (with an equivalent amount in resources expended) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility received.
Volunteer help	The value of any volunteer help received is not included in the accounts but is described in the trustees' annual report.
Investment income	This is included in the accounts when receivable.
Investment gains and losses	This includes any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

EXPENDITURE AND LIABILITIES

Liability recognition	Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.
Governance costs	Include costs of the preparation and examination of statutory accounts, the costs of trustee meetings and the cost of any legal advice on governance or constitutional matters.
Grants with performance conditions	Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specific service or output.
Grants payable without performance conditions	These are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity.
Support costs	Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, eg allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

ASSETS

Tangible fixed assets for use by the charity	Apart from road vehicles and computer equipment, all tangible fixed assets are carried in the accounts at the aggregate cost of acquisition and any additional costs of putting them into a usable condition. Subsequently expenditure on the maintenance or the renewal of parts is written off to the Statement of Financial Activities as it is incurred. Spare parts are carried at the arbitrary value of £500. No depreciation is then provided on these fixed assets. In the opinion of the Council of Management, the residual value of these assets is sufficiently high and the useful economic life sufficiently long that any depreciation charge would be immaterial.
Investments	The investment is valued at its market rate at the balance sheet date, calculated using its Bid price.
Stocks	Stocks of sales goods and coal are stated at the lower of cost and net realisable value.

Notes to the Accounts
For the Year ended 31st December 2024

Note 3 APB Ethical Standard - Provisions available for small entities

In common with many other organisations of our size and nature we use our independent examiners to assist with the our financial statements.

Note 4	Details of certain items of expenditure	2024	*2023*
4.1	**Trustee expenses**		
	No remuneration was paid to the Council of Management during the year. The following expenses were reimbursed to the		
	Number of trustees who were paid expenses	-	-
	Total amounts paid	-	-
4.2	**Fees for inndependent examination of the accounts**		
	Independent Examiner's Fee	**1,620**	*1,430*

Note 5 Tangible fixed assets

5.1	Cost or valuation	Totals
	Balance brought forward	12,339
	Additions	
	Revaluations	-
	Disposals	
	Balance carried forward	**12,339**
5.2	**Accumulated depreciation and impairment provisions**	
	Balance brought forward	-
	Depreciation charge for the year	
	Impairment provisions	-
	Revaluations	-
	Disposals	-
	Balance carried forward	-
5.3	**Net book value**	
	Brought forward	12,339
	Carried forward	**12,339**

Notes to the Accounts
For the Year ended 31st December 2024

Note 6	Debtors and prepayments	2024	*2023*
6.1	**Analysis of debtors (all amounts falling due within one year)**		
	Trade debtors		*57,308*
	Other debtors	**136,820**	*23,697*
	Prepayments and accrued income		
		136,820	**81,005**

Note 7	Creditors and accruals	2024	*2023*
7.1	**Analysis of creditors (all amounts falling due within one year)**		
	Loans and overdrafts		
	Accruals	**1,620**	**1,370**
	Other Creditors	**91,377**	**250**
		92,997	**1,620**

Note 8 Related Party Transactions

None.

Note 9 Share Capital

The company is limited by guarantee and therefore has no share capital. At 31st December 2024 the number of members was 472 (2023 - 521).

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED

England & Wales - Charity number 266801

Accounts

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED

(A company limited by guarantee having no share capital)

REPORT AND FINANCIAL STATEMENTS

Year Ended 31st December 2023

BLAIN PRITCHARD LIMITED
Chartered Certified Accountants

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED

(A company limited by guarantee having no share capital)

CONTENTS

	PAGES
Report of the Council of Management	1 - 3
Statement of the Council of Management's Responsibilities	4
Report of the Independent Examiner	5
Statement of Financial Activities	6
Balance Sheet	7
Notes to the Accounts	8 - 11

STATUS OF SOCIETY

The Society is registered under the Companies Act (No. 1114826) as a company limited by guarantee and as a Charity (No. 266801).

REGISTERED OFFICE AND PRINCIPAL ADDRESS

341a Uttoxeter Road
Mickleover
Derby
England, DE3 9AH

BANKERS

Lloyds TSB Plc
Whitstable
Kent

INDEPENDENT EXAMINERS

Blain Pritchard Limited
Chartered Certified Accountants
74 College Road
Maidstone
Kent
ME15 6SL

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY
(A Company limited by guarantee having no share capital)

REPORT OF THE COUNCIL OF MANAGEMENT
For the year ended 31 December 2023

The Society's Directors/Trustees (the Council of Management – the Council) present their annual report and independently examined accounts for consideration by the membership of the Society. The Council confirm the report and financial statements comply with the requirements of the Charities Act 2011, the Companies Act 2006 and the Statement of Recommended Practice (SORP) 2005 (second edition).

Organisation

The Merchant Navy Locomotive Preservation Society (M.N.L.P.S.) is constituted as a company limited by guarantee and is therefore governed by a memorandum and articles of association. The Company is incorporated in England under the Companies Act 2006 (No 01114826). The Society is also registered with the Charity Commission under the Charities Act 2006 (No 266801). The Society is the sole shareholder in a subsidiary company, *MNLPS (Operating) Limited,* which is responsible under a fee payable licence issued to it by the Society for the operation and day-to-day maintenance (excluding major overhauls) of the Society's locomotive. Ownership of the locomotive always remains with the Society.

Council of Management Statement

The Society's affairs in 2023 were seriously affected by the continued on-going repairs to the locomotive boiler. Other than for May and September, meetings were held at which the Council addressed both routine business and specific matters of importance, in particular the issues surrounding the repairs required to the thermic syphons, firebox side sheets and stays. In doing so it continued to address the opportunities and risks that the Society might face, with the intention of establishing and developing policies, strategies, practices, and systems aimed at maximizing opportunities and minimizing significant risks, be they commercial, financial, human resources, health & safety etc. The Council continued to keep under review how the Society achieves its aims and objectives paying due regard to, and compliance with, the Charity Commission's guidance on meeting the requirements on public benefit.

The Council worked closely with the Marketing & Operations Sub-Committee (MOSC) which met on a regular basis to plan for the eventual resumption of railtour duty.

Health and safety remain at the forefront in all aspects of the management and operations of the Society and its subsidiary arm. The Council remains fully committed to ensuring that policies, supporting manuals and procedures continue to evolve, develop, and change in line with the standards, legislation and other external changes and are adhered to by all those members undertaking the various tasks required to enable the locomotive and support coach to be operated. To this end the management system is considered as 'live,' with regular on-going review and amendment, as necessary. There were no accidents reportable under RIDDOR during the year.

The Society recorded a financial surplus of some £50,181 and at the year's end was valued at over £460,000. Total income was some £298,000, of which over £71,000 was donations and gifts. Expenditure amounted to approximately £248,000.

Under clause 4 of the company's Memorandum and Articles of Association, '*the income and property of the company shall be applied solely towards the promotion of its objects and no portion thereof shall be paid or transferred directly or indirectly by way of a dividend, bonus or otherwise howsoever by way of profit, to Members of the Company*'. The Society's Tangible fixed assets are detailed on the Balance sheet. Acquisitions and disposals of tangible fixed assets are shown at Note 5 to the accounts. It should be noted that the Company's main asset, ex British Railways Southern Region, Merchant Navy Class steam locomotive No. 35028 *"Clan Line"*, is shown at its 1967 purchase price of £2,200. It will be appreciated, that its current realisable value, whilst extremely difficult to establish precisely, is more than this figure. That said, the Directors/Trustees are in discussions with our insurers with a view to amending this figure; as has been done for the support coach.

In keeping with the Directors'/Trustees' responsibilities for keeping adequate reserves, they continue their policy of maintaining sufficient funds as free reserves of the Company, whilst at the same time having to heavily invest in the overhaul of the locomotive boiler and work on the tender. It is most fortunate that the expense of

fitting the (CET) Controlled Emissions Toilet to the support coach was funded by Network Rail; this being classed as a 'Network Change.'

The continued out of service period of the locomotive, and the requirement to use specialised contract labour for the repair work resulted in a decrease in the level of voluntary work on the locomotive and support coach. Forty-nine members assisted in various capacities and their combined efforts amounted to 635 days of recorded work, a reduction over 2022. However, this is still a considerable number of days, undertaking work on the boiler alongside the specialised contractors at Leaky Finders, and on the tender and support coach at Stewarts Lane. Given the circumstances the Council of Management remain most grateful for the time and effort put in by those working party members.

The Council is saddened to have received notification of the passing of the following members: A Wild, D Flood, S Foster, E Strouts and R A Hunt. Our condolences go to all the families and friends. At the end of 2023 membership stood at 521.

Principal activities

The object and principal activity of the M.N.L.P.S. continues to be the preservation and maintenance in operational condition of ex-British Railways Southern Region, Merchant Navy Class Locomotive No. 35028 *"Clan Line"* and its operation on the mainline rail network of Britain. It is the last surviving operational preserved locomotive based in central London. The locomotive at the heart of this activity is a working symbol of Great Britain's industrial and railway engineering heritage and excellence. It operates for the benefit of both current and future generations. In this context it should be seen as a working museum. For a dwindling number this keeps alive fond memories of the past whilst for the newer generations it will be seen as a *living* history and, in this we encourage and provide the opportunity to obtain and practice new skills. The Society is proud to encourage and promote public interest in railways generally as well as the preservation of steam locomotives, railway machinery and equipment of historical interest.

As a result of the un-expected and additional work to the locomotive boiler following from its early withdrawal from service in July 2022, no mainline railtours, or other trips have been possible during this last fiscal year. The loss of all planned railtours for 2023 has had a major impact upon revenue generation. However, discussions with our insurers are in hand and it is envisaged that recovery of some, if not all, the costs required for the boiler overhaul will be forthcoming, but not until the next fiscal year.

Turning to our educational activity the past year has been one of consolidation; due, not only to the none-availability of the locomotive for public display on railtours or visits to heritage railways, but also the identifying and appointment of a new Education Co-ordinator. As a result, only one formal presentation on the operation of *Clan Line* was made, that being to the *Mid-Hants Railway (Surbiton Group).* That said, the newly appointed co-ordinator has made noteworthy progress since time in post, with initial approaches to schools and other STEM (Science, Technology, Engineering & Maths) relevant organisations, and engineering institutions.

Work by the Archivist has continued with the cataloguing and safe storage of the Society's diverse collection of documents, photographs and artifacts relating to Clan Line and the history of the Society; all of which are available to view by appointment for educational and academic research. This work will continue in coming years as funds permit.

The Society's activity on the social media outlets of Facebook, Instagram and Twitter continued to expand during the year, as did that of the Society website.

Chairman's overview

To say that 2023 has been one of the most stressful and challenging since the last overhaul of the locomotive at Crewe in 2015 (even when one considers the COVID years) is very much an understatement! After our initial hope of a completion of the repairs to the Thermic Syphons at the end of 2022 we entered the year with the realisation that the work would be protracted, not through the fault of our contractors but a combination of issues arising with the surrounding platework. Following a full review and scoping of the work required the Council made the decision to bring forward the full boiler overhaul originally scheduled for 2027. The decision was not taken lightly as it meant a further non-operational period, and hence a potential loss of income. However, the repair and replacement work to the Thermic Syphons, firebox platework and replacement of stays, along with a revised and enhanced water treatment regime, is the most cost-effective decision to ensure continued operation once back in service.

On a positive note, the Council are extremely grateful, not only to those working party members who have given their time assisting with the on-going boiler repairs (requiring travel to, and staying in Devon), or work on the tender and support coach, but to those members who have made additional financial contributions, some of which have been extremely generous given the current economic climate. Furthermore, the 'Firebox Appeal' to aid the boiler repairs, also saw a positive response.

Richard Gretton

Members of the Council of Management	Attendance at meetings
R F Gretton *	7/10
D Easson *	9/10
C M Ellick	10/10
S A C Martin	8/10
I Millward	8/10
D Mowat *	8/10
G Williams	8/10
J Cummins	8/10
D Shepherd	8/10

In accordance with the Articles of Association one third of the members retire at the 2024 Annual General Meeting. These are asterisked are retiring. D Mowat is offering himself for re-election.

Independent Examiners

Following membership agreement at the 50th AGM held on 15 July 2023 the Council appointed Blain Pritchard Limited as Independent Examiners to the Company. Both parties agreed that the appointment and the fee would be reviewed after a further year.

D Shepherd

D Shepherd
Secretary
May 2024

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED

(A company limited by guarantee having no share capital)

Statement of the Council of Management's Responsibilities

Company and charity law requires the Council of Management, who also act as trustees for the charitable activities of the company, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the Council of Management are required to;

* select suitable accounting policies and then apply them consistently;

* make judgements and estimates that are reasonable and prudent;

* state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

* prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Council of Management are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Examiner's Report to the trustees of the Merchant Navy Locomotive Preservation Society Limited

I report on the accounts of the Merchant Navy Locomotive Preservation Society Limited for the year ended 31st December 2023, which are set out on pages 6 to 11.

Respective responsibilities of trustees and examiner

The Directors/Trustees are responsible for the preparation of the accounts. The charity's Trustees consider that an audit is not required for this year under section 145 of the Charities Act 2011 and that an independent examination is needed.

Having been satisfied that the charity is not subject to an audit under company law and is eligible for independent examination it is my responsibility to:

- examine the accounts (under section 145 of the 2011 Act);
- to follow the procedures laid down in the General Directions given by the Charity Commissioners (under sections 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. That examination includes a review of the accounting records kept by the charity and a comparison of the accounts with those records. It also includes considering 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 I do not express an opinion as to whether the accounts present a 'true and fair view' and the report is limited to matters set out in the statement below.

Independent examiner's statement
In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements

- to keep accounting records in accordance with s386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities (revised 2005)

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

L C Seal FCCA FAIA
Blain Pritchard Limited
Chartered Certified Accountants
74 College Road
Maidstone
Kent
ME15 6SL

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31st DECEMBER 2023

	General Purpose Funds	Other Unrestricted Funds	Endowment Funds	2023 Total Funds	2022 Total Funds
INCOMING RESOURCES					
Donations, gifts and similar incoming resources	71,391	-	-	71,391	57,695
Legacies received	187,427	-	-	187,427	25,000
Investment Income	2,749	-	-	2,749	422
Trading in furtherance of charitable activities	36,910	-	-	36,910	93,899
TOTAL INCOMING RESOURCES	298,477	-	-	298,477	177,016
CHARITABLE RESOURCES EXPENDED					
Support Costs					
Locomotive & rolling stock maint. & consumables	208,706	-	-	208,706	162,202
Transport Expenses		-	-	-	-
Insurance, Rent & Sundry expenditure	26,179	-	-	26,179	16,880
Trading Activities					
Locomotive operating expenses (coal & water)	4,130	-	-	4,130	9,821
Production of Society Magazine	1,508	-	-	1,508	1,501
"200 Club" prizes & Registration	(1,111)	-	-	(1,111)	(861)
Sales items	(44)	-	-	(44)	789
Other Expenditure					
Governance costs	9,029	-	-	9,029	10,541
TOTAL RESOURCES EXPENDED	248,397	-	-	248,397	200,873
Profit / (Loss) on disposal of Fixed Asset	-	-	-	-	-
Profit / (Loss) on revaluation of Investment Asset	100	-	-	100	(143)
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS	50,181	-	-	50,181	(24,000)
Transfer between Funds	-	-	-	-	-
NET INCOMING/(OUTGOING) RESOURCES	50,181	-	-	50,181	(24,000)
FUND BALANCES brought forward at 1st January 2023	402,038	7,839	-	409,877	433,877
FUND BALANCES carried forward at 31st December 2023	452,219	7,839	-	460,058	409,877

The notes on pages 8 to 11 form part of these financial statements

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED
BALANCE SHEET
31st DECEMBER 2023

	Note	2023 £	2023 £	2022 £	2022 £
FIXED ASSETS	(5)				
Locomotive 35028			2,200		2,200
Locomotive spares			500		500
Tools and equipment			1,139		1,139
Coach (BFK) - 17096			4,000		4,000
Coach (BFK) - 34701			4,500		4,500
			12,339		12,339
CURRENT ASSETS					
Stock of coal		6,670		10,800	
Stock of sale items		2,596		2,552	
Debtors	(6)	81,005		93,613	
Investment - share in subsidiary		1		1	
Investment - CAF Fund		1,383		1,283	
Cash at bank and in hand		357,683		292,190	
		449,339		400,439	
CREDITORS amounts falling due within one year	(7)	1,620		2,901	
			447,719		397,538
			460,058		**409,877**
Represented by:					
INCOME FUNDS					
Unrestricted funds:					
General Purpose funds					
Balance as at 1st January 2023		402,038		426,038	
Transfer from Statement of Financial Activities		50,181		(24,000)	
			452,219		402,038
Other unrestricted funds					
Balance as at 1st January 2023		7,839		7,839	
Transfer from (to) Statement of Financial Activities		-		-	
			7,839		7,839
			460,058		**409,877**

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st December 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st December 2023 in accordance with Section 476 of the Companies Act 2006.

The Council of Management acknowledge their responsibilities for:

a) ensuring the ensuring the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and

b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Council of Management on

R. Gretton
Chairman

S.A.C. Martin
Treasurer

The notes on pages 8 to 11 form part of these financial statements.

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED

Notes to the Accounts
For the Year ended 31st December 2023

Note 1 Basis of preparation

1.1 **Basis of accounting**

These accounts have been prepared on the basis of historic cost and in accordance with:
- Accounting and Reporting by Charities - Statement of Recommended Practice (SORP (FRS 102));
- and with the Charities Act 2011.

1.2 **Change in basis of accounting**

There has been no change to the accounting policies (valuation rules and methods of accounting) since last year.

1.3 **Changes to previous accounts**

No changes have been made to accounts for previous years.

Note 2 Accounting policies

INCOMING RESOURCES

Recognition of incoming resources	These are included in the Statement of Financial Activities (SoFA) when: - the charity becomes entitled to the resources; - the trustees are virtually certain they will receive the resources; and - the monetary value can be measured with sufficient reliability.
Incoming resources with related expenditure	Where incoming resources have related expenditure (as with fundraising or contract income) the incoming resources and related expenditure are reported gross in the SoFA.
Grants and donations	Grants and donations are only included in the SoFA when the charity has unconditional entitlement to the resources
Tax reclaims on donations and gifts	Incoming resources from tax reclaims are included in the SoFA at the same time as the gift to which they relate.
Contractual income and performance related grants	This is only included in the SoFA once the related goods or services have been delivered.
Gifts in kind	Gifts in kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised. Gifts in kind for sale or distribution are included in the accounts as gifts only when sold or distributed by the charity. Gifts in kind for use by the charity are included in the SoFA as incoming resources when receivable.

Notes to the Accounts
For the Year ended 31st December 2023

Donated services and facilities	These are only included in incoming resources (with an equivalent amount in resources expended) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility received.
Volunteer help	The value of any volunteer help received is not included in the accounts but is described in the trustees' annual report.
Investment income	This is included in the accounts when receivable.
Investment gains and losses	This includes any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

EXPENDITURE AND LIABILITIES

Liability recognition	Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.
Governance costs	Include costs of the preparation and examination of statutory accounts, the costs of trustee meetings and the cost of any legal advice on governance or constitutional matters.
Grants with performance conditions	Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specific service or output.
Grants payable without performance conditions	These are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity.
Support costs	Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, eg allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

ASSETS

Tangible fixed assets for use by the charity	Apart from road vehicles and computer equipment, all tangible fixed assets are carried in the accounts at the aggregate cost of acquisition and any additional costs of putting them into a usable condition. Subsequently expenditure on the maintenance or the renewal of parts is written off to the Statement of Financial Activities as it is incurred. Spare parts are carried at the arbitrary value of £500. No depreciation is then provided on these fixed assets. In the opinion of the Council of Management, the residual value of these assets is sufficiently high and the useful economic life sufficiently long that any depreciation charge would be immaterial.
Investments	The investment is valued at its market rate at the balance sheet date, calculated using its Bid price.
Stocks	Stocks of sales goods and coal are stated at the lower of cost and net realisable value.

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED

Notes to the Accounts
For the Year ended 31st December 2023

Note 3 APB Ethical Standard - Provisions available for small entities

In common with many other organisations of our size and nature we use our independent examiners to assist with the our financial statements.

Note 4	**Details of certain items of expenditure**	**2023**	*2022*
4.1	**Trustee expenses**		
	No remuneration was paid to the Council of Management during the year. The following expenses were reimbursed to the		
	Number of trustees who were paid expenses	-	-
	Total amounts paid	-	-
4.2	**Fees for inndependent examination of the accounts**		
	Independent Examiner's Fee	**1,430**	*1,300*

Note 5	**Tangible fixed assets**	
5.1	**Cost or valuation**	**Totals**
	Balance brought forward	12,339
	Additions	
	Revaluations	-
	Disposals	
	Balance carried forward	12,339
5.2	**Accumulated depreciation and impairment provisions**	
	Balance brought forward	-
	Depreciation charge for the year	
	Impairment provisions	-
	Revaluations	-
	Disposals	-
	Balance carried forward	-
5.3	**Net book value**	
	Brought forward	12,339
	Carried forward	**12,339**

Notes to the Accounts
For the Year ended 31st December 2023

Note 6	Debtors and prepayments	2023	*2022*
6.1	**Analysis of debtors (all amounts falling due within one year)**		
	Trade debtors	**57,308**	*78,301*
	Other debtors	**23,697**	*15,312*
	Prepayments and accrued income		
		81,005	**93,613**

Note 7	Creditors and accruals	2023	*2022*
7.1	**Analysis of creditors (all amounts falling due within one year)**		
	Loans and overdrafts		
	Accruals	**1,370**	**1,300**
	Other Creditors	**250**	**1,601**
		1,620	**2,901**

Note 8 Related Party Transactions

None.

Note 9 Share Capital

The company is limited by guarantee and therefore has no share capital. At 31st December 2023 the number of members was 521 (2022 - 486).

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED

England & Wales - Charity number 266801

Accounts

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED

(A company limited by guarantee having no share capital)

REPORT AND FINANCIAL STATEMENTS

Year Ended 31st December 2022

BLAIN PRITCHARD LIMITED
Chartered Certified Accountants

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED

(A company limited by guarantee having no share capital)

CONTENTS

	PAGES
Report of the Council of Management	1 - 3
Statement of the Council of Management's Responsibilities	4
Report of the Independent Examiner	5
Statement of Financial Activities	6
Balance Sheet	7
Notes to the Accounts	8 - 11

STATUS OF SOCIETY

The Society is registered under the Companies Act (No. 1114826) as a company limited by guarantee and as a Charity (No. 266801).

REGISTERED OFFICE AND PRINCIPAL ADDRESS

341a Uttoxeter Road
Mickleover
Derby
England, DE3 9AH

BANKERS

Lloyds TSB Plc
Whitstable
Kent

INDEPENDENT EXAMINERS

Blain Pritchard Limited
Chartered Certified Accountants
74 College Road
Maidstone
Kent
ME15 6SL

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY
(A Company limited by guarantee having no share capital)

REPORT OF THE COUNCIL OF MANAGEMENT
For the year ended 31 December 2022

The Society's Directors/Trustees (the Council of Management – the Council) present their annual report and independently examined accounts for consideration by the membership of the Society. The Council confirm the report and financial statements comply with the requirements of the Charities Act 2011, the Companies Act 2006 and the Statement of Recommended Practice (SORP) 2005 (second edition).

Organisation

The Merchant Navy Locomotive Preservation Society (M.N.L.P.S.) is constituted as a company limited by guarantee and is therefore governed by a memorandum and articles of association. The Company is incorporated in England under the Companies Act 2006 (No 01114826). The Society is also registered with the Charity Commission under the Charities Act 2006 (No 266801). The Society is the sole shareholder in a subsidiary company, *MNLPS (Operating) Limited*, which is responsible under a fee payable licence issued to it by the Society for the operation and day-to-day maintenance (excluding major overhauls) of the Society's locomotive. Ownership of the locomotive always remains with the Society.

Council of Management Statement

The Society's affairs in 2022 were affected by the continued recovery from the COVID - 19 pandemic and the early withdraw of the locomotive from service in July following the discovery of cracks in the thermic syphons. The Council met on eight occasions during the year. Meetings were not held in March, June, August, or November. At these meetings the Council addressed both routine business and specific matters of importance, in particular the issues surrounding the repairs required to the thermic syphons. In doing so it continued to address the opportunities and risks that the Society might face, with the intention of establishing and developing policies, strategies, practices and systems aimed at maximizing opportunities and minimizing significant risks, be they commercial, financial, human resources, health & safety etc. The Council continued to keep under review how the Society achieves its aims and objectives paying due regard to, and compliance with, the Charity Commission's guidance on meeting the requirements on public benefit.

The Council worked closely with and was supported by the board of directors of the operating subsidiary and the Council's Marketing & Operations Sub-Committee (MOSC) both of which also met regularly.

Health and safety remained at the forefront in all aspects of the management and operations of the Society and its subsidiary arm. The Council is fully committed to ensuring that policies, supporting manuals and procedures continue to evolve, develop and change in line with the standards, legislation and other external changes and are adhered to by all those members undertaking the various tasks required to enable the locomotive and support coach to be operated. To this end the management system is considered as 'live', with regular on-going review and amendment as necessary. There were no accidents reportable under RIDDOR during the year. However, four non-reportable accidents occurred to working party members. These were investigated and appropriate action taken.

The Society recorded a financial deficit of some £24,000 and at the year's end was valued at nearly £410,000. Total income was some £177,000, of which over £57,695 was donations and gifts. Expenditure amounted to approximately £200,000.

Under clause 4 of the company's Memorandum and Articles of Association, '*the income and property of the company shall be applied solely towards the promotion of its objects and no portion thereof shall be paid or transferred directly or indirectly by way of a dividend, bonus or otherwise howsoever by way of profit, to Members of the Company*'. The Society's Tangible fixed assets are detailed on the Balance sheet. Acquisitions and disposals of tangible fixed assets are shown at Note 5 to the accounts. It should be noted that the Company's main asset, ex British Railways Southern Region, Merchant Navy Class steam locomotive No. 35028 *"Clan Line"*, is shown at its 1967 purchase price of £2,200. It will be appreciated, that its current realisable value, whilst extremely difficult to establish precisely, is more than this figure.

In keeping with the Directors'/Trustees' responsibilities for keeping adequate reserves, they continue their policy of maintaining sufficient funds as free reserves of the Company at a level to sustain indefinite operation and consequently set aside a proportion of monetary assets for that specific purpose.

Following the gradual return to operational activity during the early part of the year the subsequent withdrawal of the locomotive from service year and use of contract labour for the repair work resulted in a decrease in the level of voluntary work on the locomotive and support coach over the previous year. 62 members assisted in various capacities and their combined efforts amounted to 978 days of recorded work, a reduction over 2021 mainly a result of the aforementioned early withdrawal of the locomotive. Given the circumstances the Council of Management remain most grateful for the effort put in by working party members.

The Council is saddened to have received notification of the passing of the following members: J Morgan, J Davenport, C. Kerswill, M. Lee. Our condolences go to all the families and friends. At the end of 2022 membership stood at 486.

Principal activities

The object and principal activity of the M.N.L.P.S. continues to be the preservation and maintenance in operational condition of ex-British Railways Southern Region, Merchant Navy Class Locomotive No. 35028 *"Clan Line"* and its operation on the mainline rail network of Britain. It is the last surviving operational preserved locomotive based in central London. The locomotive at the heart of this activity is a working symbol of Great Britain's industrial and railway engineering heritage and excellence. It operates for the benefit of both current and future generations. In this context it should be seen as a working museum. For a dwindling number this keeps alive fond memories of the past whilst for the newer generations it will be seen as a *living* history and, in this we encourage and provide the opportunity to obtain and practice new skills. The Society is proud to encourage and promote public interest in railways generally as well as the preservation of steam locomotives, railway machinery and equipment of historical interest.

Only 7 mainline railtours were operated up until the unscheduled withdrawal of the locomotive in July. 5 were with the *British Pullman by Belmond,* with one being a circular trip round Kent, one to Bristol and the others around the Surrey Hills. The remaining 3rd party charter work took the engine to Exeter and Weymouth. The profits from Railtours were passed to the Society by way of the license fee referred to above and through *Corporate Gift Aid.* The loss of the remaining planned railtours for 2022 has had a major impact upon the revenue generation. Discussions with our insurers are in hand with a view to recovering some of the costs.

The runs were seen by many members of the public at the lineside and stations and with a general move towards what the Society consider as 'normal', visits to the engine's footplate were once again allowed under strict supervision. Allowing footplate access again enabled the Society to focus on meeting and greeting people from all walks of life and telling them about *Clan Line,* providing free information postcards etc.

Presentations on the operation of *Clan Line* were made to the *Mid-Hants Railway (Alton Group).* Unfortunately, and with sadness K Homewood, made the decision, for health reasons, to step down from his role as Education Officer. We wish him well in the future and thank him for his work that he undertook on behalf of the society. Following a review by the Council of the educational activities that we are able to provide given the location of the locomotive in an operational depot, the decision has been taken to amend the role to that of education co-ordinator. The process of identifying a suitable candidate for the role is in process at the time of writing this report.

To further the educational work of the Society, work by the Archivist has continued pulling together, cataloguing, and safely preserving and storing the large collection of documents, photographs and artifacts etc. relating to Clan Line and the history of the Society. Further work in respect of this, and the film archives held by the Society is planned in coming years as funds permit.

The Society's activity on the social media outlets of Facebook, Instagram and Twitter continued to expand during the year, as did that of the Society website.

Chairman's overview

Following from the successful first post-COVID year in 2021, the year just completed which forms the basis of this report turned from early spring and summer success to an autumn of disappointment and, at times, despair! As reported in the Society magazine it was, following the trip to Weymouth and during routine inspection, that the Chief Engineer discovered some cracking in areas on the two Thermic Syphons which are within the firebox. On first inspection it was hoped that the work to rectify the problem could be achieved in a short timescale and at Stewarts Lane. Unfortunately, this turned out not to be the case and after discussion the Council made the decision to have the work undertaken off-site; this resulting in the locomotive having to be taken by road to our contractor, Leaky Finders, in Exeter. Despite the endeavours of the contractors to date, and the Council desire for the work to be completed in a timely manner, further issues were identified. As a result,

additional work to return the locomotive to service will be required but the scope of work is yet to be agreed; this will be at the first meeting of the Council in January 2023.

On a positive note, the Council are extremely grateful, not only to those working party members who have given their time assisting with the on-going boiler repairs since the withdrawal of the locomotive, but to those members who have made additional financial contributions, some of which have been extremely generous given the current economic climate. Furthermore, the 'Tube Appeal' launched in December to aid the boiler repairs, has seen a positive response.

Richard Gretton

Members of the Council of Management

		Attendance at meetings
	R F Gretton	8/8
	D Easson	6/8
	C M Ellick	8/8
	S A C Martin	5/8
*	I Millward	7/8
	D Mowat	8/8
*	G Williams	5/8
*	J Cummins	6/8

In accordance with the Articles of Association one third of the members retire at the 2023 Annual General Meeting. These are asterisked and being eligible offer themselves for re-election.

Independent Examiners

Following membership agreement at the 49th AGM held on 16 July 2022 the Council appointed Blain Pritchard Limited as Independent Examiners to the Company. Both parties agreed that the appointment and the fee would be reviewed after a further year.

R F Gretton

R Gretton
Chairman
March 2023

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED

(A company limited by guarantee having no share capital)

Statement of the Council of Management's Responsibilities

Company and charity law requires the Council of Management, who also act as trustees for the charitable activities of the company, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the Council of Management are required to;

* select suitable accounting policies and then apply them consistently;

* make judgements and estimates that are reasonable and prudent;

* state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

* prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Council of Management are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Examiner's Report to the trustees of the Merchant Navy Locomotive Preservation Society Limited

I report on the accounts of the Merchant Navy Locomotive Preservation Society Limited for the year ended 31st December 2021, which are set out on pages 6 to 11.

Respective responsibilities of trustees and examiner

The Directors/Trustees are responsible for the preparation of the accounts. The charity's Trustees consider that an audit is not required for this year under section 145 of the Charities Act 2011 and that an independent examination is needed.

Having been satisfied that the charity is not subject to an audit under company law and is eligible for independent examination it is my responsibility to:

- examine the accounts (under section 145 of the 2011 Act);
- to follow the procedures laid down in the General Directions given by the Charity Commissioners (under sections 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. That examination includes a review of the accounting records kept by the charity and a comparison of the accounts with those records. It also includes considering 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 I do not express an opinion as to whether the accounts present a 'true and fair view' and the report is limited to matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements

- to keep accounting records in accordance with s386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities (revised 2005)

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

L C Seal FCCA FAIA
Blain Pritchard Limited
Chartered Certified Accountants
74 College Road
Maidstone
Kent
ME15 6SL

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31st DECEMBER 2022

	General Purpose Funds	Other Unrestricted Funds	Endowment Funds	2022 Total Funds	2021 Total Funds
INCOMING RESOURCES					
Donations, gifts and similar incoming resources	57,695	-	-	57,695	68,128
Legacies received	25,000	-	-	25,000	-
Investment Income	422	-	-	422	597
Trading in furtherance of charitable activities	93,899	-	-	93,899	95,591
TOTAL INCOMING RESOURCES	**177,016**	**-**	**-**	**177,016**	**164,316**
CHARITABLE RESOURCES EXPENDED					
Support Costs					
Locomotive & rolling stock maint. & consumables	162,202	-	-	162,202	10,552
Transport Expenses		-	-	-	14,682
Insurance, Rent & Sundry expenditure	16,880	-	-	16,880	12,738
Trading Activities					
Locomotive operating expenses (coal & water)	9,821	-	-	9,821	20,580
Production of Society Magazine	1,501	-	-	1,501	2,670
"200 Club" prizes & Registration	861	-	-	(861)	800
Sales items	789	-	-	789	2,693
Other Expenditure					
Governance costs	10,541	-	-	10,541	5,320
TOTAL RESOURCES EXPENDED	**200,873**	**-**	**-**	**200,873**	**70,035**
Profit / (Loss) on disposal of Fixed Asset	-	-	-	-	-
Profit / (Loss) on revaluation of Investment Asset	(143)	-	-	(143)	164
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS	**(24,000)**	-	-	**(24,000)**	**94,445**
Transfer between Funds	-	-	-	-	-
NET INCOMING/(OUTGOING) RESOURCES	**-24,000**	-	-	**(24,000)**	**94,445**
FUND BALANCES brought forward at 1st January 2022	**426,038**	**7,839**	-	**433,877**	**339,432**
FUND BALANCES carried forward at 31st December 2022	**402,038**	**7,839**	-	**409,877**	**433,877**

The notes on pages 8 to 11 form part of these financial statements

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED
BALANCE SHEET
31st DECEMBER 2022

	Note	2022		2021	
		£	£	£	£
FIXED ASSETS	(5)				
Locomotive 35028			2,200		2,200
Locomotive spares			500		500
Tools and equipment			1,139		1,139
Coach (BFK) - 17096			4,000		4,000
Coach (BFK) - 34701			4,500		6,500
			12,339		14,339
CURRENT ASSETS					
Stock of coal		10,800		4,572	
Stock of sale items		2,552		2,520	
Debtors	(6)	93,613		21,504	
Investment - share in subsidiary		1		1	
Investment - CAF Fund		1,283		1,426	
Cash at bank and in hand		292,190		393,524	
		400,439		423,547	
CREDITORS amounts falling due within one year	(7)	2,901		4,009	
			397,538		419,538
			409,877		**433,877**
Represented by:					
INCOME FUNDS					
Unrestricted funds:					
General Purpose funds					
Balance as at 1st January 2021		426,038		331,593	
Transfer from Statement of Financial Activities		(24,000)		94,445	
			402,038		426,038
Other unrestricted funds					
Balance as at 1st January 2021		7,839		7,839	
Transfer from (to) Statement of Financial Activities		-		-	
			7,839		7,839
			409,877		**433,877**

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st December 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st December 2021 in accordance with Section 476 of the Companies Act 2006.

The Council of Management acknowledge their responsibilities for:

a) ensuring the ensuring the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and

b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Council of Management on

Richard Gretton

R. Gretton
Chairman

Simon A.C. Martin

S.A.C. Martin
Treasurer

The notes on pages 8 to 11 form part of these financial statements.

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED

Notes to the Accounts
For the Year ended 31st December 2022

Note 1 Basis of preparation

1.1 Basis of accounting

These accounts have been prepared on the basis of historic cost and in accordance with:
- Accounting and Reporting by Charities - Statement of Recommended Practice (SORP (FRS 102));
- and with the Charities Act 2011.

1.2 Change in basis of accounting

There has been no change to the accounting policies (valuation rules and methods of accounting) since last year.

1.3 Changes to previous accounts

No changes have been made to accounts for previous years.

Note 2 Accounting policies

INCOMING RESOURCES

Recognition of incoming resources	These are included in the Statement of Financial Activities (SoFA) when: - the charity becomes entitled to the resources; - the trustees are virtually certain they will receive the resources; and - the monetary value can be measured with sufficient reliability.
Incoming resources with related expenditure	Where incoming resources have related expenditure (as with fundraising or contract income) the incoming resources and related expenditure are reported gross in the SoFA.
Grants and donations	Grants and donations are only included in the SoFA when the charity has unconditional entitlement to the resources
Tax reclaims on donations and gifts	Incoming resources from tax reclaims are included in the SoFA at the same time as the gift to which they relate.
Contractual income and performance related grants	This is only included in the SoFA once the related goods or services have been delivered.
Gifts in kind	Gifts in kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised. Gifts in kind for sale or distribution are included in the accounts as gifts only when sold or distributed by the charity. Gifts in kind for use by the charity are included in the SoFA as incoming resources when receivable.

Donated services and facilities — These are only included in incoming resources (with an equivalent amount in resources expended) where the benefit to the charity is reasonably quantifiable, measurable and material.
The value placed on these resources is the estimated value to the charity of the service or facility received.

Volunteer help — The value of any volunteer help received is not included in the accounts but is described in the trustees' annual report.

Investment income — This is included in the accounts when receivable.

Investment gains and losses — This includes any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

EXPENDITURE AND LIABILITIES

Liability recognition — Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

Governance costs — Include costs of the preparation and examination of statutory accounts, the costs of trustee meetings and the cost of any legal advice on governance or constitutional matters.

Grants with performance conditions — Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specific service or output.

Grants payable without performance conditions — These are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity.

Support costs — Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, eg allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

ASSETS

Tangible fixed assets for use by the charity — Apart from road vehicles and computer equipment, all tangible fixed assets are carried in the accounts at the aggregate cost of acquisition and any additional costs of putting them into a usable condition.
Subsequently expenditure on the maintenance or the renewal of parts is written off to the Statement of Financial Activities as it is incurred. Spare parts are carried at the arbitrary value of £500. No depreciation is then provided on these fixed assets. In the opinion of the Council of Management, the residual value of these assets is sufficiently high and the useful economic life sufficiently long that any depreciation charge would be immaterial.

Investments — The investment is valued at its market rate at the balance sheet date, calculated using its Bid price.

Stocks — Stocks of sales goods and coal are stated at the lower of cost and net realisable value.

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED

Notes to the Accounts
For the Year ended 31st December 2022

Note 3 **APB Ethical Standard - Provisions available for small entities**

In common with many other organisations of our size and nature we use our independent examiners to assist with the our financial statements.

Note 4	**Details of certain items of expenditure**	**2022**	*2021*
4.1	**Trustee expenses**		

No remuneration was paid to the Council of Management during the year. The following expenses were reimbursed to the

	Number of trustees who were paid expenses	-	-
	Total amounts paid	-	-
4.2	**Fees for inndependent examination of the accounts**		
	Independent Examiner's Fee	**1,300**	*1,300*

Note 5 **Tangible fixed assets**

5.1 **Cost or valuation**

	Totals
Balance brought forward	14,339
Additions	
Revaluations	-
Disposals	**(2,000)**
Balance carried forward	**12,339**

5.2 **Accumulated depreciation and impairment provisions**

Balance brought forward	-
Depreciation charge for the year	-
Impairment provisions	-
Revaluations	-
Disposals	-
Balance carried forward	**-**

5.3 **Net book value**

Brought forward	14,339
Carried forward	**12,339**

Notes to the Accounts
For the Year ended 31st December 2022

Note 6	Debtors and prepayments	2022	*2021*
6.1	**Analysis of debtors (all amounts falling due within one year)**		
	Trade debtors	**78,301**	*15,977*
	Other debtors	**15,312**	*5,527*
	Prepayments and accrued income		
		93,613	**21,504**

Note 7	Creditors and accruals	2022	*2021*
7.1	**Analysis of creditors (all amounts falling due within one year)**		
	Loans and overdrafts		
	Accruals	**1,300**	**1,300**
	Other Creditors	**1,601**	**2,709**
		2,901	**4,009**

Note 8 Related Party Transactions

None.

Note 9 Share Capital

The company is limited by guarantee and therefore has no share capital. At 31st December 2022 the number of members was 486 (2021 - 531).

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED

England & Wales - Charity number 266801

Accounts

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED

(A company limited by guarantee having no share capital)

REPORT AND FINANCIAL STATEMENTS

Year Ended 31st December 2021

BLAIN PRITCHARD LIMITED

Chartered Certified Accountants

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED

(A company limited by guarantee having no share capital)

CONTENTS

	PAGES
Report of the Council of Management	1 - 4
Statement of the Council of Management's Responsibilities	5
Report of the Independent Examiner	6
Statement of Financial Activities	7
Balance Sheet	8
Notes to the Accounts	9 - 12

STATUS OF SOCIETY

The Society is registered under the Companies Act (No. 1114826) as a company limited by guarantee and as a Charity (No. 266801).

REGISTERED OFFICE AND PRINCIPAL ADDRESS

341a Uttoxeter Road
Mickleover
Derby
England, DE3 9AH

BANKERS

Lloyds TSB Plc
Whitstable
Kent

INDEPENDENT EXAMINERS

Blain Pritchard Limited
Chartered Certified Accountants
74 College Road
Maidstone
Kent
ME15 6SL

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY
(A Company limited by guarantee having no share capital)

REPORT OF THE COUNCIL OF MANAGEMENT
For the year ended 31 December 2021

The Society's Directors/Trustees (the Council of Management – the Council) present their annual report and independently examined accounts for consideration by the membership of the Society. The Council confirm the report and financial statements comply with the requirements of the Charities Act 2011, the Companies Act 2006 and the Statement of Recommended Practice (SORP) 2005 (second edition).

Organisation

The Merchant Navy Locomotive Preservation Society (M.N.L.P.S.) is constituted as a company limited by guarantee and is therefore governed by a memorandum and articles of association. The Company is incorporated in England under the Companies Act 2006 (No 01114826). The Society is also registered with the Charity Commission under the Charities Act 2006 (No 266801). The Society is the sole shareholder in a subsidiary company, *MNLPS (Operating) Limited*, which is responsible under a fee payable licence issued to it by the Society for the operation and day-to-day maintenance (excluding major overhauls) of the Society's locomotive. Ownership of the locomotive always remains with the Society.

Council of Management Statement

The Society's affairs in 2021 were still affected by the COVID - 19 worldwide pandemic but not to the same extent as 2020. The Council met on nine occasions during the year; the first three meetings were conducted remotely using 'Zoom', the remainder face-to-face. Meetings were not held in July, September and November. At these meetings the Council addressed both routine business and specific matters of importance, including the ongoing and likely continued effects of the COVID - 19 pandemic. In doing so it continued to address the opportunities and risks that the Society might face, with the intention of establishing and developing policies, strategies, practices and systems aimed at maximizing opportunities and minimizing significant risks, be they commercial, financial, human resources, health & safety or the pandemic referred to above. The Council continued to keep under review how the Society achieves its aims and objectives paying due regard to, and compliance with, the Charity Commission's guidance on meeting the requirements on public benefit.

The Council worked closely with and was supported by the board of directors of the operating subsidiary and the Council's Marketing & Operations Sub-Committee (MOSC) both of which also met regularly.

Health and safety remained at the forefront in all aspects of the management and operations of the Society and its subsidiary arm. The Council is fully committed to ensuring that policies, supporting manuals and procedures continue to evolve, develop and change in line with the standards, legislation and other external changes and are adhered to by all those members undertaking the various tasks required to enable the locomotive and support coach to be operated. To this end the management system is considered as 'live', with regular on-going review and amendment as necessary. There were no accidents reportable under RIDDOR during the year. However, four non-reportable accidents occurred to working party members. These were investigated and appropriate action taken.

The Society recorded a financial surplus of some £94,000 and at the year's end was valued at nearly £434,000. Total income was some £164,000, of which over £68,000 was donations and gifts. Expenditure amounted to approximately £70,000.

Under clause 4 of the company's Memorandum and Articles of Association, '*the income and property of the company shall be applied solely towards the promotion of its objects and no portion thereof shall be paid or transferred directly or indirectly by way of a dividend, bonus or otherwise howsoever by way of profit, to Members of the Company*'. The Society's Tangible fixed assets are detailed on the Balance sheet. Acquisitions and disposals of tangible fixed assets are shown at Note 5 to the accounts. It should be noted that the Company's main asset, ex British Railways Southern Region, Merchant Navy Class steam locomotive No. 35028 *"Clan Line"*, is shown at its 1967 purchase price of £2,200. It will be appreciated, that its current realisable value, whilst extremely difficult to establish precisely, is considerably more than this figure.

In keeping with the Directors'/Trustees' responsibilities for keeping adequate reserves, they continue their policy of maintaining sufficient funds as free reserves of the Company at a level to sustain indefinite operation and consequently set aside a proportion of monetary assets for that specific purpose.

The gradual return to operational activity during the year, albeit still with a level of restriction and uncertainty that had become a norm during the pandemic, resulted in an increase in the level of voluntary work on the locomotive and support coach over the previous year. While still not at the pre-pandemic level it, 70 members assisted in various capacities and their combined efforts amounted to 1074 days of recorded work which is highly commendable given the circumstances and for which the Council of Management is most grateful.

The Council is saddened to have received notification of the passing of the following members: A Davies; J Hockley, K Porter, J Chappel; K Measures. Our condolences go to all the families and friends. At the end of 2021 membership stood at 491.

Principal activities

The object and principal activity of the M.N.L.P.S. continues to be the preservation and maintenance in operational condition of ex-British Railways Southern Region, Merchant Navy Class Locomotive No. 35028 "*Clan Line*" and its operation on the mainline rail network of Britain. It is the last surviving operational preserved locomotive based in central London. The locomotive at the heart of this activity is a working symbol of Great Britain's industrial and railway engineering heritage and excellence. It operates for the benefit of both current and future generations. In this context it should be seen as a working museum. For a dwindling number this keeps alive fond memories of the past whilst for the newer generations it will be seen as a *living* history and, in this we encourage and provide the opportunity to obtain and practice new skills. The Society is proud to encourage and promote public interest in railways generally as well as the preservation of steam locomotives, railway machinery and equipment of historical interest.

The on-going COVID-19 virus continued to disrupt the early part of the year with no definite date for the re-commencement of operations. However, there was 'light at the end of the tunnel' and following a successful test run to bed the engine back in after the prolonged time out of traffic, operations, under our operating subsidiary, re-commenced in mid-May with a *British Pullman by Belmond*, Bath and Bristol trip. Following the discovery of flats on the tender wheels at the end of July it was necessary to make last minute arrangements to visit the wheel lather at the South-Eastern depot at Ashford. Given that the *Clan Line* was scheduled to haul the *John Farrow Memorial* train to Sherborne in mid-August it was to say the least, a tense time. However, thanks to the staff at Ashford the required remedial work was completed in time.

A total of 10 further mainline railtours ran through to the end of the year. 5 were with the *British Pullman by Belmond,* with one to bath & Bristol the others around the Surrey Hills. The remaining 3rd party charter work took the engine to Worcester, Margate, a Hampshire circle, the *Rail Aid* trip around Kent in support of the *Railway Children* charity, and Christmas Circulars. Profits arising from the railtours were passed to the Society by way of the license fee referred to above and through *Corporate Gift Aid.* The runs were seen by many members of the public at the lineside and stations and with a general move towards what the Society consider as 'normal', visits to the engine's footplate were once again allowed under strict supervision and with appropriate COVID-19 precautions in place. Allowing footplate access again enabled the Society to focus on meeting and greeting people from all walks of life and telling them about *Clan Line*, providing free information postcards etc.

In addition to the mainline railtours, and despite the difficulties the Covid-19 restrictions placed on the Society, the year 2021 was not without its successes, particularly in terms of our educational outreach; albeit limited. With schools and colleges having been under strict rules regarding what they were allowed to do, there were no visits to see *Clan Line* at the Lane. However, we have already been contacted for such visits once restrictions are fully lifted and we can again get back to normal.

The greatest success, and one which has reached much larger numbers of young people than we have ever had before, was the re-dedication service provided in cooperation with *The Bluebell Railway*. Over two consecutive days in October, the Society provided free travel in individual school dedicated coaches behind *Clan Line*, educational support and guided tours to see the engine and free souvenirs to over 250 school pupils from schools from Sussex and Kent. In addition, the Society Education Officer worked with the educational staff at the *Bluebell Railway* to support the pupils as they visited the *Bluebell Railway Heritage Centre and Museum*.
Both days went well, and the schools commented favourably on their visit and their wish to see *Clan Line* again. Many pupils had never seen a steam locomotive close-up before and the opportunity for them to visit the footplate as she was in steam was a dream come true for many – including the adults with the schools.
A commemorative framed plaque was given to each school from the Society along with the book 'Haywards Heath to Seaford' which includes the Horstead Keynes Branch, for their respective school libraries, the Society

Education Officer having contacted and visited *Middleton Press* and negotiated for the books to be provided free to the schools. Middleton Press are keen to support further the Society's educational developments.

With the support of *The Head of Service, The Education People, Kent,* (Old KCC Education Department) who is a steam enthusiast, links have now been forged for further cooperation between the Society and schools in Kent. At the opposite end of the age spectrum, the Education Officer has wetted the appetite of the *Scout Active Support Unit* in Surrey. They are keen to visit *Clan Line* at the Lane and learn more, or for a talk and slideshow to be provided on one of their evenings.

The visit to the *Bluebell Railway* over *the Giants of Steam Gala Weekend* was also the opportunity to celebrate the 70th anniversary of the engine's naming. A re-dedication ceremony attended by members of the Society, including member number one, was followed by a series of special trains run for members and invited guests between *Sheffield Park* and *East Grinstead.* The special trains also afforded a number of the Society Support Crew to drive and fire *Clan Line* under the supervision of Bluebell crews; this providing the opportunity to enhance their skills and competence.

Presentations on the operation of *Clan Line* were made to the *Railway Travel & Correspondence Society (Croydon Branch), Mid-Hants Railway (Croydon Branch) and the Locomotive Club of Great Britain (Dorking Branch).*

To further the educational work of the Society, considerable work was also undertaken by the Archivist on pulling together, cataloguing and safely preserving and storing the large collection of documents, photographs and artifacts etc. relating to Clan Line and the history of the Society. Further work in respect of this, and the film archives held by the Society is planned in coming years as funds permit.

The Society's activity on the social media outlets of Facebook, Instagram and Twitter continued to expand during the year, as did that of the Society website.

Chairman's overview

2021 whilst not as challenging a year as that in 2020, still continued to be one of uncertainty, against the background of COVID-19 and the ever-present possibility of re-introduction of restrictions. Despite this uncertainty our operating subsidiary ran a programme of railtours with the *British Pullman by Belmond, UK Railtours, Pathfinder,* the *Railway Touring Company* and *Steam Dreams.* While the tours for the latter two companies were operated by West Coast Railways this should not be seen as a Society change in policy from DB Cargo as our normal train operator, but rather the Society looking to the future and its ability to have sufficient funds available for the planned overhaul in 2027!

In this endeavour, the Committee of Management, in conjunction with the Marketing and Operations Sub-Committee led by our Commercial Officer, continue to review the future strategy for mainline railtours, always taking account of the wider charter train market, the increasing cost (and challenges) of sourcing suitable coal, the introduction of the European Train Control System etc.. There are also other challenges in recruiting new and younger members to, not only, act as support crew and working party, but also take on managerial responsibilities within the Society.

On a positive note, and as outlined above, our operational activity on the mainline was, I would say, far better than expected given the period of uncertainty. Furthermore, the visit to the *Bluebell Railway* in October for their Gala Event and our own engine re-dedication ceremony and special trains was an outstanding success. That said, attending such events should not be seen as something that the Society plans to undertake on a regular basis! The members' resource required, not only for preparing and looking after the engine for such visits, but also running the sales stand is considerable and I would like to express my thanks to all who were involved; and particularly those who are still in full time employment who used some of their annual leave to help make it happen.

While our ability to arrange educational visits to see *Clan Line* at our operational base was again prevented due to the various restrictions in place, the visit of the school children to see the engine whilst as the *Bluebell Railway* was, as mentioned elsewhere, a great success. Talks and presentations to societies and other groups were held again in 2021 and thanks are extended to those members who gave their time in so doing. Along with our social media outlets this helped to keep the Society and *Clan Line* in the wider public eye.

Richard Gretton

Members of the Council of Management

			Attendance at meetings
*	R. F. Gretton		9/9
	D. Easson		8/9
*	C. M. Ellick		8/9
*	S. A. C. Martin		8/9
	I. Millward		8/9
	D. Mowat		9/9
	G. Williams	(elected 5 June 2021)	8/9
	I. J. Hockley	(resigned 5 June 2021)	5/6
	J. Cummins	(co-opted March 2021, elected 5 June 2021)	6/6

In accordance with the Articles of Association the members asterisked retire at the 2022 Annual General Meeting and being eligible offer themselves for re-election.

Auditors

Following membership agreement at the 48th AGM held on 5 June 2021 the Council appointed Blain Pritchard Limited as Independent Examiners to the Company. Both parties agreed that the appointment and the fee would be reviewed after a further year.

R F Gretton

R. F. Gretton
Chairman
18 April 2022

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED

(A company limited by guarantee having no share capital)

Statement of the Council of Management's Responsibilities

Company and charity law requires the Council of Management, who also act as trustees for the charitable activities of the company, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the Council of Management are required to;

* select suitable accounting policies and then apply them consistently;

* make judgements and estimates that are reasonable and prudent;

* state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

* prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Council of Management are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Examiner's Report to the trustees of the Merchant Navy Locomotive Preservation Society Limited

I report on the accounts of the Merchant Navy Locomotive Preservation Society Limited for the year ended 31st December 2021, which are set out on pages 7 to 12.

Respective responsibilities of trustees and examiner

The Directors/Trustees are responsible for the preparation of the accounts. The charity's Trustees consider that an audit is not required for this year under section 145 of the Charities Act 2011 and that an independent examination is needed.

Having been satisfied that the charity is not subject to an audit under company law and is eligible for independent examination it is my responsibility to:

- examine the accounts (under section 145 of the 2011 Act);
- to follow the procedures laid down in the General Directions given by the Charity Commissioners (under sections 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. That examination includes a review of the accounting records kept by the charity and a comparison of the accounts with those records. It also includes considering 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 I do not express an opinion as to whether the accounts present a 'true and fair view' and the report is limited to matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements

- to keep accounting records in accordance with s386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities (revised 2005)

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

L C Seal FCCA FAIA
Blain Pritchard Limited
Chartered Certified Accountants
74 College Road
Maidstone
Kent
ME15 6SL

18/4/2022

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31st DECEMBER 2021

	General Purpose Funds	Other Unrestricted Funds	Endowment Funds	2021 Total Funds	2020 Total Funds
INCOMING RESOURCES					
Donations, gifts and similar incoming resources	68,128	-	-	68,128	43,216
Legacies received	-	-	-	-	-
Investment Income	597	-	-	597	120
Trading in furtherance of charitable activities	95,591	-	-	95,591	14,395
TOTAL INCOMING RESOURCES	**164,316**	-	-	**164,316**	**57,731**
CHARITABLE RESOURCES EXPENDED					
Support Costs					
Locomotive & rolling stock maintenance & consumables	10,552	-	-	10,552	14,690
Transport Expenses	14,682	-	-	14,682	-
Insurance, Rent & Sundry expenditure	12,738	-	-	12,738	11,171
Trading Activities					
Locomotive Operating Expenses	20,580			20,580	-
Production of Society Magazine	2,670	-	-	2,670	2,754
"200 Club" prizes	800	-	-	800	800
Sales Items	2,693			2,693	1,028
Other Expenditure					
Governance costs	5,320	-	-	5,320	4,197
TOTAL RESOURCES EXPENDED	**70,035**	-	-	**70,035**	**34,640**
Profit / (Loss) on disposal of Fixed Asset	-	-	-	-	-
Profit / (Loss) on revaluation of Investment Asset	164	-	-	164	(84)
NET INCOMING RESOURCES BEFORE TRANSFERS	**94,445**	-	-	**94,445**	**23,007**
Transfer between Funds	(6,500)	6,500	-	-	-
NET INCOMING RESOURCES	**87,945**	**6,500**	-	**94,445**	**23,007**
FUND BALANCES brought forward at 1st January 2021	**331,593**	**7,839**	-	**339,432**	**316,425**
FUND BALANCES carried forward at 31st December 2021	**419,538**	**14,339**	-	**433,877**	**339,432**

The Notes on pages 9 to 12 form part of these financial Statements

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED
BALANCE SHEET
31st DECEMBER 2021

	Note	2021		2020	
		£	£	£	£
FIXED ASSETS	(5)				
Locomotive 35028			2,200		2,200
Locomotive spares			500		500
Tools and equipment			1,139		1,139
Coach (BFK) - 17096			4,000		4,000
Coach (BSK) - 34701			6,500		-
			14,339		7,839
CURRENT ASSETS					
Stock of coal		4,572		24,753	
Stock of Sales Items		2,520		935	
Debtors	(6)	21,504		32,109	
Investment - share in subsidiary		1		1	
Investment - CAF Fund		1,426		1,262	
Cash at bank and in hand		393,524		275,267	
		423,547		334,327	
CREDITORS amounts falling due within one year	(7)	4,009		2,734	
			419,538		331,593
			433,877		**339,432**
Represented by:					
INCOME FUNDS					
Unrestricted funds:					
General Purpose funds					
Balance as at 1st January 2021		331,593		308,586	
Transfer from Statement of Financial Activities		87,945		23,007	
			419,538		331,593
Other unrestricted funds					
Balance as at 1st January 2021		14,339		7,839	
Transfer from (to) Statement of Financial Activities		-		-	
			14,339		7,839
			433,877		**339,432**

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st December 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st December 2021 in accordance with Section 476 of the Companies Act 2006.

The Council of Management acknowledge their responsibilities for:

a) ensuring the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and

b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Council of Management on 18 April 2022

R.F. Gretton

R.F. Gretton
Chairman

S.A.C. Martin

S.A.C. Martin
Treasurer

The notes on pages 9 to 12 form part of these financial statements.

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED

Notes to the Accounts
For the Year ended 31st December 2021

Note 1 Basis of preparation

1.1 **Basis of accounting**

These accounts have been prepared on the basis of historic cost and in accordance with:
- Accounting and Reporting by Charities - Statement of Recommended Practice (SORP (FRS 102));
- and with the Charities Act 2011.

1.2 **Change in basis of accounting**

There has been no change to the accounting policies (valuation rules and methods of accounting) since last year.

1.3 **Changes to previous accounts**

No changes have been made to accounts for previous years.

Note 2 Accounting policies

INCOMING RESOURCES

Recognition of incoming resources	These are included in the Statement of Financial Activities (SoFA) when: - the charity becomes entitled to the resources; - the trustees are virtually certain they will receive the resources; and - the monetary value can be measured with sufficient reliability.
Incoming resources with related expenditure	Where incoming resources have related expenditure (as with fundraising or contract income) the incoming resources and related expenditure are reported gross in the SoFA.
Grants and donations	Grants and donations are only included in the SoFA when the charity has unconditional entitlement to the resources
Tax reclaims on donations and gifts	Incoming resources from tax reclaims are included in the SoFA at the same time as the gift to which they relate.
Contractual income and performance related grants	This is only included in the SoFA once the related goods or services have been delivered.
Gifts in kind	Gifts in kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised. Gifts in kind for sale or distribution are included in the accounts as gifts only when sold or distributed by the charity. Gifts in kind for use by the charity are included in the SoFA as incoming resources when receivable.

Donated services and facilities — These are only included in incoming resources (with an equivalent amount in resources expended) where the benefit to the charity is reasonably quantifiable, measurable and material.
The value placed on these resources is the estimated value to the charity of the service or facility received.

Volunteer help — The value of any volunteer help received is not included in the accounts but is described in the trustees' annual report.

Investment income — This is included in the accounts when receivable.

Investment gains and losses — This includes any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

EXPENDITURE AND LIABILITIES

Liability recognition — Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

Governance costs — Include costs of the preparation and examination of statutory accounts, the costs of trustee meetings and the cost of any legal advice on governance or constitutional matters.

Grants with performance conditions — Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specific service or output.

Grants payable without performance conditions — These are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity.

Support costs — Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, eg allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

ASSETS

Tangible fixed assets for use by the charity — Apart from road vehicles and computer equipment, all tangible fixed assets are carried in the accounts at the aggregate cost of acquisition and any additional costs of putting them into a usable condition.
Subsequently expenditure on the maintenance or the renewal of parts is written off to the Statement of Financial Activities as it is incurred. Spare parts are carried at the arbitrary value of £500. No depreciation is then provided on these fixed assets. In the opinion of the Council of Management, the residual value of these assets is sufficiently high and the useful economic life sufficiently long that any depreciation charge would be immaterial.

Investments — The investment is valued at its market rate at the balance sheet date, calculated using its Bid price.

Stocks — Stocks of sales goods and coal are stated at the lower of cost and net realisable value.

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED

Notes to the Accounts
For the Year ended 31st December 2021

Note 3 APB Ethical Standard - Provisions available for small entities

In common with many other organisations of our size and nature we use our independent examiners to assist with the our financial statements.

Note 4	**Details of certain items of expenditure**	**2021**	*2020*
4.1	**Trustee expenses**		
	Number of trustees who were paid expenses	-	-
	Total amounts paid	-	-
4.2	**Fees for inndependent examination of the accounts**		
	Independent Examiner's Fee	**1,300**	*1,250*

Note 5 Tangible fixed assets

5.1	**Cost or valuation**	**Totals**
	Balance brought forward	7,839
	Additions	6,500
	Revaluations	-
	Disposals	-
	Balance carried forward	**14,339**
5.2	**Accumulated depreciation and impairment provisions**	
	Balance brought forward	-
	Depreciation charge for the year	-
	Impairment provisions	-
	Revaluations	-
	Disposals	-
	Balance carried forward	**-**
5.3	**Net book value**	
	Brought forward	7,839
	Carried forward	**14,339**

Notes to the Accounts
For the Year ended 31st December 2021

Note 6	Debtors and prepayments	2021	*2020*
6.1	**Analysis of debtors (all amounts falling due within one year)**		
	Trade debtors	**15,977**	*25,028*
	Other debtors	**5,527**	*7,081*
	Prepayments and accrued income		
		21,504	**32,109**

Note 7	Creditors and accruals	2021	*2020*
7.1	**Analysis of creditors (all amounts falling due within one year)**		
	Loans and overdrafts		
	Accruals	**1,300**	**1,250**
	Other Creditors	**2,709**	**1,484**
		4,009	**2,734**

Note 8 Related Party Transactions

None.

Note 9 Share Capital

The company is limited by guarantee and therefore has no share capital. At 31st December 2021 the number of members was 531 (2020 - 493).

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED

England & Wales - Charity number 266801

Accounts

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED

(A company limited by guarantee having no share capital)

REPORT AND FINANCIAL STATEMENTS

Year Ended 31st December 2020

BLAIN PRITCHARD LIMITED
Chartered Certified Accountants

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED

(A company limited by guarantee having no share capital)

CONTENTS

	PAGES
Report of the Council of Management	1 - 3
Statement of the Council of Management's Responsibilities	4
Report of the Independent Examiner	5
Statement of Financial Activities	6
Balance Sheet	7
Notes to the Accounts	8 - 11

STATUS OF SOCIETY

The Society is registered under the Companies Act (No. 1114826) as a company limited by guarantee and as a Charity (No. 266801).

REGISTERED OFFICE AND PRINCIPAL ADDRESS

22 West Bank
Dorking
Surrey
RH4 3BZ

BANKERS

Lloyds TSB Plc
Whitstable
Kent

INDEPENDENT EXAMINERS

Blain Pritchard Limited
Chartered Certified Accountants
74 College Road
Maidstone
Kent
ME15 6SL

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY
(A Company limited by guarantee having no share capital)

REPORT OF THE COUNCIL OF MANAGEMENT
For the year ended 31 December 2020

The Society's Directors/Trustees (the Council of Management – the Council) present their annual report and independently examined accounts for consideration by the membership of the Society. The Council confirm the report and financial statements comply with the requirements of the Charities Act 2011, the Companies Act 2006 and the Statement of Recommended Practice (SORP) 2005 (second edition).

Organisation

The Merchant Navy Locomotive Preservation Society (M.N.L.P.S.) is constituted as a company limited by guarantee, and is therefore governed by a memorandum and articles of association. The Company is incorporated in England under the Companies Act 2006 (No 01114826). The Society is also registered with the Charity Commission under the Charities Act 2006 (No 266801). The Society is the sole shareholder in a subsidiary company, *MNLPS (Operating) Limited*, which is responsible under a fee payable licence issued to it by the Society for the operation and day-to-day maintenance (excluding major overhauls) of the Society's locomotive. Ownership of the locomotive remains with the Society at all times.

Council of Management Statement

The Society's affairs have been dominated in 2020 by the COVID - 19 worldwide pandemic. The Council met on nine occasions during the year. Meetings were not held in April and May because of the coronavirus national lockdown. From June onwards meetings were conducted remotely using "Zoom" except for August when no meeting was held. At these meetings the Council addressed both routine business and specific matters of importance, including the ongoing effects of the COVID - 19 pandemic. In doing so it continued to address the opportunities and risks that the Society might face, with the intention of establishing and developing policies, strategies, practices and systems aimed at maximizing opportunities and minimizing significant risks, be they commercial, financial, human resources, health & safety or the pandemic referred to above. The Council continued to keep under review the means by which the Society achieves its aims and objectives paying due regard to, and compliance with, the Charity Commission's guidance on meeting the requirements on public benefit.

The Council worked closely with and was supported by the board of directors of the operating subsidiary and the Council's Marketing & Operations Sub-Committee (MOSC) both of which also met regularly.

Health and safety remained at the forefront in all aspects of the management and operations of the Society and its subsidiary arm. The Council is fully committed to ensuring that policies, supporting manuals and procedures continue to evolve, develop and change in line with the standards, legislation and other external changes and are adhered to by all those members undertaking the various tasks required to enable the locomotive and support coach to be operated. To this end the management system is considered as 'live', with regular on-going review and amendment as necessary. There were no reported accidents or incidents to working party members during the year.

The Society recorded a financial surplus of some £23,000 and at the year's end was valued at over £339,000. Total income was some £57,000, of which over £43,0000 was donations and gifts. Expenditure amounted to approximately £34,000.

Under clause 4 of the company's Memorandum and Articles of Association, '*the income and property of the company shall be applied solely towards the promotion of its objects and no portion thereof shall be paid or transferred directly or indirectly by way of a dividend, bonus or otherwise howsoever by way of profit, to Members of the Company*'. The Society's Tangible fixed assets are detailed on the Balance sheet. Acquisitions and disposals of tangible fixed assets are shown at Note 5 to the accounts. It should be noted that the Company's main asset, ex British Railways Southern Region, Merchant Navy Class steam locomotive No. 35028 *"Clan Line"*, is shown at its 1967 purchase price of £2,200. It will be appreciated, that its current realisable value, whilst extremely difficult to establish precisely, is considerably in excess of this figure.

In keeping with the Directors'/Trustees' responsibilities for keeping adequate reserves, they continue their policy of maintaining sufficient funds as free reserves of the Company at a level to sustain indefinite operation and consequently set aside a proportion of monetary assets for that specific purpose.

Given the pandemic the level of voluntary work on the locomotive and support coach was less than in a normal year. Nevertheless 58 members assisted in various capacities and their combined efforts amounted to 494 days of recorded work which is highly commendable given the circumstances and for which the Council of Management is most grateful.

The Council is saddened to have received notification of the passing of the following members: B Rayner; C Laycock; P Rampton; B Coates; J Farrell; C Broadbent; R White; H Gregory. In addition, the Society was saddened at the passing of John Farrow of UK Railtours who over past years organised many railtours for the Society and was a valued supporter of *Clan Line.* Our condolences go to all the families and friends. At the end of 2020 membership stood at 493.

Principal activities

The object and principal activity of the M.N.L.P.S. continues to be the preservation and maintenance in operational condition of ex-British Railways Southern Region, Merchant Navy Class Locomotive No. 35028 *"Clan Line"* and its operation on the mainline rail network of Britain. It is the last surviving operational preserved locomotive based in central London. The locomotive at the heart of this activity is a working symbol of Great Britain's industrial and railway engineering heritage and excellence. It operates for the benefit of both current and future generations. In this context it should be seen as a working museum. For a dwindling number this keeps alive fond memories of the past whilst for the newer generations it will be seen as a *living* history and, in this we encourage and provide the opportunity to obtain and practice new skills. The Society is proud to encourage and promote public interest in railways generally as well as the preservation of steam locomotives, railway machinery and equipment of historical interest.

The arrival in the UK of the COVID-19 virus at the beginning of the year had a devastating effect on the operation of rail charters and as a result of the pandemic the operating subsidiary was only able to run two mainline trips, both with the Belmond British Pullmans; one being a *Surrey Hills* and the other the UK Railtours sponsored *Valentines Pullman* around the Chiltern Hills. Two other Belmond trips were arranged for December after the summer relaxation of pandemic restrictions but in the event these too were cancelled because of the ongoing effects of the pandemic. Other than the two trips the only other operational activity for the locomotive was a test run during mid-March.

Chairman's overview

2020 was a challenging year, particularly operationally, against the background of the COVID-19 pandemic. Our planned programme of 18 trips with the Belmond British Pullmans, UK Railtours and Pathfinder was decimated by the restrictions imposed by Government throughout the year. As stated in the previous section of the report we were only able to operate two passenger carrying trips and a test run during the year. This had a dramatic effect, not only on our projected income stream required for the next overhaul of the locomotive, but also on our ability to expose the locomotive to the public in its operational state. On finances, I would like to express my gratitude, and that of the Management Committee, for the generous level of donations received in 2020 without which a surplus for the year would not have been achieved.

In view of the above the Committee of Management, in conjunction with the Marketing and Operations Sub-Committee led by our Commercial Officer, Mr Hedderly, are actively reviewing the future strategy for mainline railtours

Our ability to arrange educational visits to see the locomotive at our operational base was also prevented due to the various restrictions in place, as was the opportunity for our members to give talks and presentaations to societies and other groups. Nevertheless, Society activity on the social media outlets of Facebook, Instagram and Twitter continued throughout the year in order to keep those who follow the locomotive informed and to keep the Society and locomotive in the wider public eye.

On a positive note, despite the ever-changing restrictions imposed on the country the engineering team were able to work through the myriad of tasks required to gain annual certification of the locomotive. The locomotive and tender were revarnished at the beginning of the year. Also, other working members were actively engaged in a considerable amount of work in the provision of additional storage at the depot.

As with any Society like ours with a long history, over time we have gathered a considerable amount of material in the form of drawings, papers, photographs etc. This material provides not only a history of the Society and

Clan Line but also the engineering and operational aspects of the steam locomotive in general and our locomotive in particular. With a view to the future, work commenced on the cataloguing of our archive materials with the long-term aim of both the preservation of the material and their wider availability as educational material.

To finish on a positive note, we can report that The Lord Rotherwick accepted our invitation to become Society President, thus maintaining a direct link with the former shipping company after which our locomotive is named.

Richard Gretton

Members of the Council of Management

			Attendance at meetings
	R F Gretton		9/9
*	D Easson		9/9
	C M Ellick		8/9
	I J Hockley		9/9
	P Blowfield	(resigned October 2020)	5/7
	S A C Martin		9/9
*	I Millward		9/9
*	D Mowat		9/9
	G Williams	(co-opted November 2020)	1/1

In accordance with the Articles of Association the members asterisked retire at the 2021 Annual General Meeting and being eligible offer themselves for re-election. Mr Hockley will be leaving the Council of Management in June 2021.

Auditors

Following membership agreement at the 47th AGM held on 12 September 2020 the Council appointed Blain Pritchard Limited as Independent Examiners to the Company. Both parties agreed that the appointment and the fee would be reviewed after a further year.

I J Hockley

I J Hockley
Society Secretary
21.4.2021

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED

(A company limited by guarantee having no share capital)

Statement of the Council of Management's Responsibilities

Company and charity law requires the Council of Management, who also act as trustees for the charitable activities of the company, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the Council of Management are required to;

* select suitable accounting policies and then apply them consistently;

* make judgements and estimates that are reasonable and prudent;

* state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

* prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Council of Management are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Examiner's Report to the trustees of the Merchant Navy Locomotive Preservation Society Limited

I report on the accounts of the Merchant Navy Locomotive Preservation Society Limited for the year ended 31st December 2020, which are set out on pages 6 to 11.

Respective responsibilities of trustees and examiner

The Directors/Trustees are responsible for the preparation of the accounts. The charity's Trustees consider that an audit is not required for this year under section 145 of the Charities Act 2011 and that an independent examination is needed.

Having been satisfied that the charity is not subject to an audit under company law and is eligible for independent examination it is my responsibility to:

- examine the accounts (under section 145 of the 2011 Act);
- to follow the procedures laid down in the General Directions given by the Charity Commissioners (under sections 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. That examination includes a review of the accounting records kept by the charity and a comparison of the accounts with those records. It also includes considering 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 I do not express an opinion as to whether the accounts present a 'true and fair view' and the report is limited to matters set out in the statement below.

Independent examiner's statement
In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements

- to keep accounting records in accordance with s386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities (revised 2005)

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

L C Seal ACCA FAIA
Blain Pritchard Limited
Chartered Certified Accountants
74 College Road
Maidstone
Kent
ME15 6SL

21/4/2021

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31st DECEMBER 2020

	General Purpose Funds	Other Unrestricted Funds	Endowment Funds	2020 Total Funds	2019 Total Funds
INCOMING RESOURCES					
Donations, gifts and similar incoming resources	43,216	-	-	43,216	21,625
Legacies received	-	-	-	-	50,000
Investment Income	120	-	-	120	135
Trading in furtherance of charitable activities	14,395	-	-	14,395	40,652
TOTAL INCOMING RESOURCES	57,731	-	-	57,731	112,412
CHARITABLE RESOURCES EXPENDED					
Support Costs					
Locomotive & rolling stock maint. & consumables	14,688	-	-	14,688	52,255
Transport Expenses		-	-	-	-
Insurance, Rent & Sundry expenditure	11,171	-	-	11,171	377
Trading Activities					
Locomotive operating expenses (coal & water)		-	-	-	-
Production of Society Magazine	2,754	-	-	2,754	2,378
"200 Club" prizes & Registration	800	-	-	800	800
Sales items	1,028	-	-	1,028	1,850
Other Expenditure					
Governance costs	4,197	-	-	4,197	3,732
TOTAL RESOURCES EXPENDED	34,639	-	-	34,639	61,392
Profit / (Loss) on disposal of Fixed Asset	-	-	-	-	-
Profit / (Loss) on revaluation of Investment Asset	(84)	-	-	(84)	161
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS	**23,007**	-	-	**23,007**	**51,181**
Transfer between Funds	-	-	-	-	-
NET INCOMING/(OUTGOING) RESOURCES	**23,007**	-	-	**23,007**	**51,181**
FUND BALANCES brought forward at 1st January 2020	**308,586**	**7,839**	-	**316,425**	**265,244**
FUND BALANCES carried forward at 31st December 2020	**331,593**	**7,839**	-	**339,432**	**316,425**

The notes on pages 8 to 11 form part of these financial statements

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED
BALANCE SHEET
31st DECEMBER 2020

	Note	2020		2019	
		£	£	£	£
FIXED ASSETS	(5)				
Locomotive 35028			2,200		2,200
Locomotive spares			500		500
Tools and equipment			1,139		1,139
Coach (BFK) - 17096			4,000		4,000
			7,839		7,839
CURRENT ASSETS					
Stock of coal		24,753			
Stock of sale items		935		1,431	
Debtors	(6)	32,109		46,989	
Investment - share in subsidiary		1		1	
Investment - CAF Fund		1,262		1,346	
Cash at bank and in hand		275,267		262,598	
		334,327		312,365	
CREDITORS amounts falling due within one year	(7)	2,734		3,779	
			331,593		308,586
			339,432		316,425
Represented by:					
INCOME FUNDS					
Unrestricted funds:					
General Purpose funds					
Balance as at 1st January 2019		308,586		257,405	
Transfer from Statement of Financial Activities		23,007		51,181	
			331,593		308,586
Other unrestricted funds					
Balance as at 1st January 2019		7,839		7,839	
Transfer from (to) Statement of Financial Activities		-		-	
			7,839		7,839
			339,432		316,425

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st December 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st December 2020 in accordance with Section 476 of the Companies Act 2006.

The Council of Management acknowledge their responsibilities for:

a) ensuring the ensuring the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and

b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Council of Management on 21/4/2021

R. Gretton
Chairman

S.A.C. Martin
Treasurer

The notes on pages 8 to 11 form part of these financial statements

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED

Notes to the Accounts
For the Year ended 31st December 2020

Note 1 Basis of preparation

1.1 **Basis of accounting**

These accounts have been prepared on the basis of historic cost and in accordance with:
- Accounting and Reporting by Charities - Statement of Recommended Practice (SORP (FRS 102));
- and with the Charities Act 2011.

1.2 **Change in basis of accounting**

There has been no change to the accounting policies (valuation rules and methods of accounting) since last year.

1.3 **Changes to previous accounts**

No changes have been made to accounts for previous years.

Note 2 Accounting policies

INCOMING RESOURCES

Recognition of incoming resources	These are included in the Statement of Financial Activities (SoFA) when: - the charity becomes entitled to the resources; - the trustees are virtually certain they will receive the resources; and - the monetary value can be measured with sufficient reliability.
Incoming resources with related expenditure	Where incoming resources have related expenditure (as with fundraising or contract income) the incoming resources and related expenditure are reported gross in the SoFA.
Grants and donations	Grants and donations are only included in the SoFA when the charity has unconditional entitlement to the resources
Tax reclaims on donations and gifts	Incoming resources from tax reclaims are included in the SoFA at the same time as the gift to which they relate.
Contractual income and performance related grants	This is only included in the SoFA once the related goods or services have been delivered.
Gifts in kind	Gifts in kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised. Gifts in kind for sale or distribution are included in the accounts as gifts only when sold or distributed by the charity. Gifts in kind for use by the charity are included in the SoFA as incoming resources when receivable.

Notes to the Accounts
For the Year ended 31st December 2020

Donated services and facilities — These are only included in incoming resources (with an equivalent amount in resources expended) where the benefit to the charity is reasonably quantifiable, measurable and material.
The value placed on these resources is the estimated value to the charity of the service or facility received.

Volunteer help — The value of any volunteer help received is not included in the accounts but is described in the trustees' annual report.

Investment income — This is included in the accounts when receivable.

Investment gains and losses — This includes any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

EXPENDITURE AND LIABILITIES

Liability recognition — Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

Governance costs — Include costs of the preparation and examination of statutory accounts, the costs of trustee meetings and the cost of any legal advice on governance or constitutional matters.

Grants with performance conditions — Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specific service or output.

Grants payable without performance conditions — These are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity.

Support costs — Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, eg allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

ASSETS

Tangible fixed assets for use by the charity — Apart from road vehicles and computer equipment, all tangible fixed assets are carried in the accounts at the aggregate cost of acquisition and any additional costs of putting them into a usable condition.
Subsequently expenditure on the maintenance or the renewal of parts is written off to the Statement of Financial Activities as it is incurred. Spare parts are carried at the arbitrary value of £500. No depreciation is then provided on these fixed assets. In the opinion of the Council of Management, the residual value of these assets is sufficiently high and the useful economic life sufficiently long that any depreciation charge would be immaterial.

Investments — The investment is valued at its market rate at the balance sheet date, calculated using its Bid price.

Stocks — Stocks of sales goods and coal are stated at the lower of cost and net realisable value.

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED

Notes to the Accounts
For the Year ended 31st December 2020

Note 3 APB Ethical Standard - Provisions available for small entities

In common with many other organisations of our size and nature we use our independent examiners to assist with the our financial statements.

Note 4	**Details of certain items of expenditure**	**2020**	*2019*
4.1	**Trustee expenses**		
	No remuneration was paid to the Council of Management during the year. The following expenses were reimbursed to the		
	Number of trustees who were paid expenses	-	-
	Total amounts paid	-	-
4.2	**Fees for inndependent examination of the accounts**		
	Independent Examiner's Fee	**1,250**	*1,220*

Note 5 Tangible fixed assets

5.1	**Cost or valuation**	**Totals**
	Balance brought forward	7,839
	Additions	-
	Revaluations	-
	Disposals	-
	Balance carried forward	7,839
5.2	**Accumulated depreciation and impairment provisions**	
	Balance brought forward	-
	Depreciation charge for the year	-
	Impairment provisions	-
	Revaluations	-
	Disposals	-
	Balance carried forward	-
5.3	**Net book value**	
	Brought forward	**7,839**
	Carried forward	7,839

Notes to the Accounts
For the Year ended 31st December 2020

Note 6	Debtors and prepayments	2020	*2019*
6.1	**Analysis of debtors (all amounts falling due within one year)**		
	Trade debtors	**25,028**	*45,000*
	Other debtors	**7,081**	*1,989*
	Prepayments and accrued income		
		32,109	**46,989**

Note 7	Creditors and accruals	2020	*2019*
7.1	**Analysis of creditors (all amounts falling due within one year)**		
	Loans and overdrafts		
	Accruals	**1,250**	**1,500**
	Other Creditors	**1,484**	**2,279**
		2,734	**3,779**

Note 8 Related Party Transactions

None.

Note 9 Share Capital

The company is limited by guarantee and therefore has no share capital. At 31st December 2020 the number of members was 493 (2019 - 502).