

4. TRUSTEES ANNUAL REPORT FOR THE YEAR ENDING 2020

The Trustees, who are also Directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered name of Charity	North Eastern Locomotive Preservation Group
Other name of Charity	NELPG
Charity Registration number	1002017
Company Registration number	02570979
Principal Office and Registered Office	67 The Mount, York, YO24 1AX
VAT Registration number	602 1185 91
Bankers	Barclays Bank, 3 Northumberland Square, North Shields, NE30 1QX Co-operative Bank, 29 High Street, Durham, DH1 3PL
Independent Examiner of Accounts	David Holloway FCA DChA Ribchesters, Chartered Accountants, Finchale House, Belmont Business Park, Durham, DH1 1TW

Trustees

Name	Office (if any)	Dates (if not whole year)	
		From	To
C.J. Lawson	Chairman		
R. Marshall	Secretary to the Trustees		
N. Bill			
W. Dobson			
C. Foxton			
N.F. Hall			
J.R.P. Hunt			9 th October 2020
P.G. Hutchinson			
R.A. Pearson			
R. Wheeler	Treasurer*		

*The Treasurer is not currently a Trustee.

Approved by order of the board of Trustees on 18th March 2021 and signed on its behalf by:



C J Lawson – Trustee

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is governed by a Memorandum of Association and Articles of Association both of which are dated 2nd January 1991.

The Charity is a Charitable Company Limited by Guarantee.

Trustee Selection Methods

Directors, who are also Charity Trustees, are elected for 3 years by Members at the Annual General Meeting.

Any potential new Trustee must be recommended by the Committee, or, if not, notice of not less than 42 days nor more than 72 days must be given to the Company of the intention to propose a person for appointment. Not less than 14 nor more than 35 clear days before the date appointed for holding a General Meeting, notice must be given to Members of those whose approval for appointment as Trustees will be sought at that meeting. If no new nominations are received, the retiring Trustees will be recommended to the membership for re-election. If there are more nominations than there are vacancies, an election is held. Trustees are also directors for the purposes of company law.

Although there is no formal induction and training programme at present, the Charity Secretary sends potential new Trustees a copy of Charity Commission Guidance Notes CC3 and CC3A and discusses with them what the role entails. Any nominee is required to confirm that they have read and understood the Guidance Notes, and are not disqualified from being a Trustee. The Chairman, Secretary and Treasurer provide additional guidance during meetings as required.

Organisation

The Trustees manage the business of the Charity: there must be no fewer than 6 Trustees and not more than 9. At the end of 2020 there were 8 Trustees.

Some Trustees are allocated responsibility for a particular part of the Charity's activities. As well as the specifically elected roles, responsibilities of Trustees include Health and Safety and Publicity.

Corporate Trustees: -There are no Corporate Trustees.

Custodian Trustees: -There are no Custodian Trustees.

Trustees holding title to property belonging to the Charity: - There are no Trustees who hold the title of property belonging to the Charity.

People with Significant Control: - The Company knows or has reasonable cause to believe, that there is no registerable person or registerable relevant legal entity in relation to the Company.

OBJECTIVES AND ACTIVITIES

Summary of the Purposes of the Charity:

“The Company is established for the purpose of promoting and encouraging the restoration and preservation of railway locomotives, carriages, wagons and other artefacts of historical interest and buildings connected therewith and the preservation of books, drawings, records, documents, sound and visual recordings, cinematograph films and photographs relating to such artefacts and vehicles, their history and their development, with particular reference to the North East of England.”

The Charitable Objectives are:

“Promoting and encouraging the preservation of railway locomotives, wagons and other artefacts of historical interest, including buildings connected with the North East of England, along with the preservation of books, drawings, records, documents, sound and visual recordings, films and photographs relating to such artefacts and vehicles, their history and development.”

Activities

The Company achieves these objects, primarily, through the ownership, maintenance, operation and display of four steam locomotives (Class K1 62005, Q6 63395, J27 65894 and J72 69023) which, prior to withdrawal, were operated by British Railways and had worked in the North East of England.

The Main, Relevant Activities of the Charity are as follows:

- i. Maintaining and overhauling the four locomotives to the relevant statutory standards in locations where, whenever possible, members of the public can observe what is going on and talk to those carrying out the work. This work requires the provision of materials, tools and equipment.
- ii. Arranging, whenever possible, for the locomotives to operate either on Heritage Railways, or the national network.
- iii. Carrying out as much repair, maintenance and overhaul work on the locomotives as possible by volunteers who are members of the Charity and members of the public. Some specialist work is outsourced.
- iv. Fundraising through the activities of the Board’s Financial Strategy Committee, which also manages its Patron membership scheme.
- v. Using a building (Deviation Shed), which is owned by the Group and is open to the public to view, situated at Grosmont on the North Yorkshire Moors Railway (NYMR), for the major overhaul, maintenance and storage of locomotives.
- vi. Using a building, leased from Darlington Borough Council, which is open to the public on the third Saturday of every month, located at Hopetown, Darlington, for the overhaul and maintenance of locomotives.
- vii. Continuing to create and maintain an important Archive which is developed through frequent appeals to the Group’s membership for additional material. The Archive is stored at the National Railway Museum at York, and at the NYMR archive at Pickering. It is currently being catalogued. In due course the archived material will be made available to members of the public.
- viii. Having an open membership so that everyone can apply for membership.
- ix. Having a website, much of which is accessible by the public.
- x. Providing training to those members who wish to help with the maintenance and overhaul of locomotives. A number of members are sponsored for Personal Track Safety (PTS) certification to support running our locomotives on the national network.
- xi. Holding a series of Social Meetings during the Winter with speakers on railway topics. These meetings are open to the public.

ACHIEVEMENTS AND PERFORMANCE

Summary of the Main Achievements of the Charity in 2020:

An Unusual Year

The year 2020 will be remembered for the onset of the Covid-19 pandemic. The NELPG’s activities were significantly affected by the virus and by the Government’s measures to limit the spread of the virus, like most other businesses. In late March, working parties were suspended at the time of the first lockdown, whilst the Board assessed the Government guidelines and what they meant for our activities. As the UK worked toward a gradual resumption of some businesses, a risk assessment was prepared and sets of control measures were devised for activities at Carnforth, Deviation Shed, Hopetown Works, Fort William Depot, on Jacobite Operations and use of

the Company van. By early July we were ready for a resumption of NYMR services, which would provide some unexpected mileage for the J27, and of Jacobite services, which allowed some equally unexpected income for the K1. Working parties were limited in size and volunteers were asked to stay away, unless specifically rostered.

Meetings were similarly affected. In the interests of good governance, the Board began meeting using Skype video conferencing software. Social meetings were cancelled, after the March meeting. Deviation Shed and Hopetown were closed to the public. The AGM, plus two separate SGM motions, were conducted by postal ballot. This wasn't all bad news, because the number of votes cast in the ballots returned far exceeded the usual numbers at a face-to-face meeting, and provided a more democratic result. It is likely that the Board will continue to meet on most occasions using video conferencing, because of the logistical advantages.

Maintenance and Overhaul

Winter maintenance was carried out on the Q6 and the J27 in Deviation Shed at Grosmont. Winter maintenance and repairs on the K1 took place at West Coast Railway Company's base at Carnforth. The J72's 10-year overhaul at Hopetown Works continued. The boiler repair contract was awarded after competitive tender. Similarly, the contract for the pattern making and casting of the new cylinder block has been awarded.

Operation

Two of the four locomotives worked during the reduced operating season. The K1 worked the Jacobite between Fort William and Mallaig from mid-July to mid-September, before returning to Carnforth, where the tyres were turned and a throatplate repair was made. It logged 4,320 miles in the year.

The J27 re-entered traffic at the NYMR in August and was used principally on lighter "Rail Trail" shuttles between Grosmont and Goathland. The total mileage run by the locomotive was 992.

With the NYMR advising that it would have no need for the Q6 during any operations in 2020, the decision was taken to lift the boiler (originally planned for Winter 2020/21).

Volunteer Input

The hours worked by volunteers during 2020 were equivalent to the hours which would have been worked by 2 full time persons (volunteer input was significantly reduced because of Covid-19 measures).

Our volunteer efforts include Junior Volunteers (under 16s). The JVs have been unable to attend working parties for the bulk of the year, although some workshop training was provided early in the year.

Building Maintenance

At Grosmont, Deviation Shed saw continued maintenance of the fabric of the building, roller shutter door maintenance, and regular equipment checks (including the defibrillator and PAT testing of electrical equipment). Tests of lifting gear, ladders and fixed wiring were carried out by the NYMR.

A number of non-North Eastern Locomotive Preservation Group (NELPG) locomotives have been stored in the Shed at various times during the year.

Hopetown works was closed from late March for all but the most essential tasks related to the J72 overhaul. The Board has continued to engage with the joint initiative by Darlington Borough Council and Tees Valley Combined Authority, to create a Railway Heritage Quarter in the Hopetown area of Darlington in readiness for the Bicentenary of the Stockton and Darlington Railway in 2025. Plans are being considered for the conversion of part of the 1861 Engine Shed elsewhere on the site for our use. No commitment to move has been made as yet. The dialogue on these matters continues.

A total of £130.00 has been donated to the Charity through the Grosmont collection box and £300.00 at Hopetown by visiting members of the public, before closure.

Membership

Membership of the Group at the end of 2020 stood at 625.

Social Meetings

During the early part of 2020, three Social meetings were held at the Northgate Club in Darlington, with an average attendance of over 22 persons and speakers on a variety of railway topics. These meetings are attended by Board members to give updates on locomotives and on other developments. Later planned meetings were cancelled because of Covid-19.

Communications

Regular reports on progress with locomotive maintenance carried out by working volunteers are published on the Charity website. The website has been enhanced with the provision of a PayPal facility for sales and donations. This has proved particularly successful in promoting the J72 Appeal, including graphics to reflect the take up of component sponsorship. With the cancellation of meetings and exhibitions, this facility has also been of great benefit to sales, which have been able to continue on line. A further new initiative this year has seen the introduction of an irregular e-newsletter, which has been well received by members. It provides an additional means of keeping in touch with members during these difficult times, and contains stories and anecdotes of general interest which are either not appropriate for NELPG News, or for which space is not available.

The Charity published and distributed 6 issues of NELPG News, the members magazine, which remains the journal of record.

No members Open Meeting has been possible this year.

Reporting

There have been no matters to report to the Charity Commission in 2020. However, during operation of the J27 at the NYMR in December, the locomotive was in a low-speed collision with the MPD running shed door. No damage to the locomotive was sustained. This has been investigated by the Railway and a report submitted to the Office of Rail and Road. We have received a copy of the report, which found no fault with the locomotive.

Archive

We continue to add material to our archive.

FINANCIAL REVIEW

Year-End Financial Position:

At the end of the period under review, the Charity had total funds of £740,757 (2019 = £692,533), an increase of £48,224. Full details will be found in the Accounts.

Statement Regarding Policy for Holding Reserves:

The reserves policy is to provide for unforeseen expenditure, which can sometimes arise when key components of the locomotives require renewal earlier than expected. The Trustees have designated funds to a total value of

£230,516 as a "Locomotive Maintenance Fund" to cover the on-going operation and maintenance of our locomotives, and a further £444,381 to a "Locomotive Overhaul Fund" designed to accumulate funds to support major overhauls of our locomotives.

Details of Funds Materially in Deficit

No funds are materially in deficit.

Uncertainties about the Charity Continuing as a Going Concern

At this point in time there are no doubts about the Charity continuing as a going concern.

Principal Sources of Fundraising

During 2020 the Charity's Principal Sources of Fundraising were as follows:

- i Fees paid by those hiring locomotives;
- ii Donations and grants, particularly in favour of the J72 Appeal;
- iii Subscriptions, including the Patron Membership Scheme;
- iv Legacy giving;
- v Sales.

Risk Management

The Trustees have identified a number of risks. The major risks to which the Charity is exposed and the systems and procedures to mitigate and respond to these risks are:

- i Safe maintenance, overhaul and operation of the locomotives. The Charity has in place a Risk Assessment and a procedure for its review, amendment and approval. In addition, an Operating Manual is in place for operations at Fort William, supported by appropriate reporting lines and structure, to ensure it is applied in day-to-day operation. There are preventive maintenance procedures and all new volunteers are briefed on safety. To further protect the Charitable Company, it has appropriate insurance.
- ii Difficult economic conditions. The Charity has in place financial procedures to identify at an early stage the onset of potential problems and to develop plans to respond appropriately.
- iii The continuing impact of the Covid-19 pandemic on our activities and income. Government guidelines and our own control measures will be kept under review.
- iv Loss of volunteer resources and the effect of changes in their age profile and physical ability. The Charity actively manages the wide base of volunteer skills and is developing a strategy for ensuring sufficient volunteer resources for the longer term, contracting work out where necessary.
- v High costs associated with maintaining and operating steam locomotives, and increasing costs because of the increasing age of our volunteers resulting in more work having to be carried out on a paid contract basis. A strategy is being developed to ensure that resources are in place as and when they are needed, including the establishment of a reserve fund.
- vi Difficulty in sourcing coal fuel, likely to be exacerbated by the latest DEFRA Clean Air Strategy proposals. The Group is engaged with other heritage stakeholders through the HRA.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

No funds are held as custodian trustee on behalf of others.

PUBLIC BENEFIT STATEMENT

There are Two Elements to Public Benefit

- i The “Public” element – which requires that the purpose of a charity must benefit the public in general or a sufficient section of the public and must not give rise to more than incidental personal development.
- ii The “Benefit” element – which requires that the purpose of a charity must be beneficial in a way that can be identified and is capable of being proved by evidence where necessary and not based on an individual’s personal views.

The Trustees of NELPG take the view that the preservation and operation of steam locomotives helps, considerably, to develop interest in and understanding of the history and development of railways, a mode of transport that arguably had its roots in the North East of England and which played such an important part in the development of the modern world. This is considered “beneficial” even though it is difficult to quantify or measure.

Awareness of Public Benefit Guidance

The Trustees confirm their compliance with their duty to have due regard to the Charity Commission’s Public Benefit Guidance when exercising any powers or duties to which the guidance relates.

PLANS FOR FUTURE PERIODS

Our plans will depend heavily on the ongoing virus situation. The Trustees continue to monitor the situation carefully, taking account of Government advice and input from a number of bodies, including the Charity Commission, to minimise the impact on our objectives.

We hope that the K1 will see some service on the NYMR early in 2021 and operate on the Jacobite service in Scotland over the summer, before commencing a 10-yearly overhaul. We also hope the J27 will work on the NYMR, and that the Q6 will re-enter traffic on the NYMR later in the year. The J72 overhaul will continue in 2021, with the boiler repair progressed and the production of the new cylinder block.

As a result of our concentration on navigating our way through the virus situation, the Trustees have been unable to progress a number of strategic issues which require more focus during 2021. This work includes:

- i Establishment of a Locomotive Sub Committee.
- ii Delivery of a long-term strategy for the overhaul, maintenance and operation of our locomotives.
- iii Delivery of a long-term financial plan to support the strategy for the overhaul, maintenance and operation of our locomotives.
- iv Revision of the Group’s governance documents, including a review of safety and the Locomotive Maintenance Policy.
- v Review of the way in which the organisation is managed, with a view to the Trustees spending less time on day to day matters and more on strategic issues.
- vi Development of a long-term strategy aimed at ensuring that successors are available when key persons leave their posts.
- vii Continued development of IT related systems.
- viii Continued efforts to improve communications within the Board, within the Group and between the Group and like-minded organisations.

INFORMATION ON FUNDRAISING PRACTICES

Although the Charity is not auditable under the guidance issued by the Charity Commission, we are aware of the Fundraising Regulator and we continue to consider the implications for our operations.

Small Company Provisions:

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Signed, on behalf of the Company's Directors / Charity's Trustees:

Handwritten signature of Christopher John Lawson in black ink, with a horizontal line underneath the name.

Date: 18th March 2021

Christopher John Lawson (Chairman of the Board of Trustees)

Handwritten signature of Roy Marshall in black ink, featuring a stylized, cursive script.

Date: 18th March 2021

Roy Marshall (Company Secretary and Secretary to the Board of Trustees)

REGISTERED COMPANY NUMBER: 02570979 (England and Wales)
REGISTERED CHARITY NUMBER: 1002017

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

Ribchesters
Chartered Accountants
Finchale House
Belmont Business Park
Durham
DH1 1TW

**NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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**NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02570979 (England and Wales)

Registered Charity number

1002017

Registered office

67 The Mount
York
Yorkshire
YO24 1AX

Trustees

J R P Hunt (resigned 9/10/2020)
C J Lawson
N F Hall
P G Hutchinson
R A Pearson
R Marshall
W Dobson
C Foxtton
N Bill

Company Secretary

R Marshall

Independent Examiner

David Holloway
FCA DChA
Ribchesters
Chartered Accountants
Finchale House
Belmont Business Park
Durham
DH1 1TW

Approved by order of the board of trustees on 18 February 2021 and signed on its behalf by:



C J Lawson - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

Independent examiner's report to the trustees of North Eastern Locomotive Preservation Group ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2020.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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



David Holloway
FCA DChA
Ribchesters
Chartered Accountants
Finchale House
Belmont Business Park
Durham
DH1 1TW

18 February 2021

**NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	51,500	15,982	67,482	258,104
Other trading activities	3	80,093	1,155	81,248	186,876
Investment income	4	6,302	-	6,302	6,016
Other income		<u>-</u>	<u>-</u>	<u>-</u>	<u>150</u>
Total		137,895	17,137	155,032	451,146
EXPENDITURE ON					
Raising funds	5	11,489	-	11,489	12,661
Charitable activities					
Promotion, restoration and preservation		112,865	6,896	119,761	156,266
Total		<u>124,354</u>	<u>6,896</u>	<u>131,250</u>	<u>168,927</u>
Net gains on investments		<u>24,442</u>	<u>-</u>	<u>24,442</u>	<u>1,906</u>
NET INCOME		37,983	10,241	48,224	284,125
RECONCILIATION OF FUNDS					
Total funds brought forward		691,033	1,500	692,533	408,408
TOTAL FUNDS CARRIED FORWARD		<u><u>729,016</u></u>	<u><u>11,741</u></u>	<u><u>740,757</u></u>	<u><u>692,533</u></u>

The notes form part of these financial statements

**NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

**BALANCE SHEET
31 DECEMBER 2020**

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	9	27,765	-	27,765	35,640
CURRENT ASSETS					
Debtors	10	14,754	-	14,754	16,867
Investments	11	129,608	11,741	141,349	91,906
Cash at bank		<u>568,742</u>	<u>-</u>	<u>568,742</u>	<u>565,621</u>
		713,104	11,741	724,845	674,394
CREDITORS					
Amounts falling due within one year	12	(11,853)	-	(11,853)	(17,501)
		<u>701,251</u>	<u>11,741</u>	<u>712,992</u>	<u>656,893</u>
NET CURRENT ASSETS					
		<u>729,016</u>	11,741	740,757	692,533
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>729,016</u>	<u>11,741</u>	<u>740,757</u>	<u>692,533</u>
NET ASSETS					
	13			729,016	691,033
Unrestricted funds				<u>11,741</u>	<u>1,500</u>
Restricted funds				<u>740,757</u>	<u>692,533</u>
TOTAL FUNDS					

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

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

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that 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 charitable company as at the end of each financial year and of 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 charitable company.

The notes form part of these financial statements

**NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

**BALANCE SHEET - continued
31 DECEMBER 2020**

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 18 February 2021 and were signed on its behalf by:

A handwritten signature in black ink that reads "C.J. Lawson". The signature is written in a cursive style with a horizontal line underneath the name.

C J Lawson – Trustee

A handwritten signature in black ink that reads "R. Marshall". The signature is written in a cursive style with a horizontal line underneath the name.

R Marshall – Trustee

**NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold property	- straight line over 10 years
Improvements to property	- straight line over 10 years
Plant & equipment	- straight line over 10 years
Heritage assets	- not provided
Vehicles	- straight line over 3 years

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. DONATIONS AND LEGACIES

	2020	2019
	£	£
Grants	11,000	2,100
Royalties	-	78
Legacy fund	250	211,525
Patron donations	28,345	
		28,085
Sundry donations	<u>27,887</u>	<u>16,316</u>
	<u><u>67,482</u></u>	<u><u>258,104</u></u>

Included in grants received is an amount of £1,000 from the Veronica Awdry Trust, this is restricted and is included in J72 Restoration Fund. Also included in grants received is an amount of £10,000 from Darlington Borough Council.

3. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Locomotive hire fees	76,496	185,068
Sales	4,752	1,208
Raffles	-	600
	<u>81,248</u>	<u>186,876</u>

4. INVESTMENT INCOME

	2020	2019
	£	£
Bank interest receivable	<u>6,302</u>	<u>6,016</u>

5. RAISING FUNDS

Raising donations and legacies

	2020	2019
	£	£
Stock for resale	3,146	483
Member events	-	3,292
Support costs	<u>8,343</u>	<u>8,886</u>
	<u><u>11,489</u></u>	<u><u>12,661</u></u>

**NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation - owned assets	7,875	5,932
Surplus on disposal of fixed assets	<u>-</u>	<u>(150)</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

The charity made allowances totalling £875 during the year for expenses claimed by the trustees whilst doing volunteer work for the specific charitable areas (2019:£1,350).

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	256,604	1,500	258,104
Other trading activities	186,876	-	186,876
Investment income	6,016	-	6,016
Other income	<u>150</u>	<u>-</u>	<u>150</u>
Total	449,646	1,500	451,146
EXPENDITURE ON			
Raising funds	12,661	-	12,661
Charitable activities			
Promotion, restoration and preservation	156,266	-	156,266
Total	168,927	-	168,927
Net gains on investments	<u>1,906</u>	<u>-</u>	<u>1,906</u>
NET INCOME	282,625	1,500	284,125
Transfers between funds	<u>297,772</u>	<u>(297,772)</u>	<u>-</u>
Net movement in funds	580,397	(296,272)	284,125
RECONCILIATION OF FUNDS			
Total funds brought forward	110,636	297,772	408,408

**NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
	<u>£</u>	<u>£</u>	<u>£</u>
TOTAL FUNDS CARRIED FORWARD	<u>691,033</u>	<u>1,500</u>	<u>692,533</u>

9. TANGIBLE FIXED ASSETS

	Leasehold property £	Improvements to property £	Plant & equipment £
COST			
At 1 January 2020 and 31 December 2020	<u>33,963</u>	<u>28,986</u>	<u>21,468</u>
DEPRECIATION			
At 1 January 2020	23,772	28,986	16,725
Charge for year	<u>3,396</u>	<u>-</u>	<u>2,147</u>
At 31 December 2020	<u>27,168</u>	<u>28,986</u>	<u>18,872</u>
NET BOOK VALUE			
At 31 December 2020	<u>6,795</u>	<u>-</u>	<u>2,596</u>
At 31 December 2019	<u>10,191</u>	<u>-</u>	<u>4,743</u>
	Heritage assets £	Vehicles £	Totals £
COST			
At 1 January 2020 and 31 December 2020	<u>14,100</u>	<u>6,995</u>	<u>105,512</u>
DEPRECIATION			
At 1 January 2020	-	389	69,872
Charge for year	<u>-</u>	<u>2,332</u>	<u>7,875</u>
At 31 December 2020	<u>-</u>	<u>2,721</u>	<u>77,747</u>
NET BOOK VALUE			
At 31 December 2020	<u>14,100</u>	<u>4,274</u>	<u>27,765</u>
At 31 December 2019	<u>14,100</u>	<u>6,606</u>	<u>35,640</u>

**NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Gift aid debtor	8,184	8,335
VAT	-	96
Accrued income	6,570	7,958
Prepayments	<u>-</u>	<u>478</u>
	<u>14,754</u>	<u>16,867</u>

11. CURRENT ASSET INVESTMENTS

	2020	2019
	£	£
Investment management fund	<u>141,349</u>	<u>91,906</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
VAT	4,508	10,676
Accrued expenses	<u>7,345</u>	<u>6,825</u>
	<u>11,853</u>	<u>17,501</u>

13. MOVEMENT IN FUNDS

	At 1.1.20	Net movement in funds	Transfers between funds	At 31.12.20
	£	£	£	£
Unrestricted funds				
General fund	58,790	(9,195)	4,524	54,119
Locomotive Overhaul Fund	389,565	59,340	(4,524)	444,381
Locomotive Maintenance Fund	<u>242,678</u>	<u>(12,162)</u>	-	<u>230,516</u>
	691,033	37,983	-	729,016
Restricted funds				
J27 & Q6 Safety Valve Fund	1,500	(365)	-	1,135
J72 Restoration Fund	<u>-</u>	<u>10,606</u>	-	<u>10,606</u>
	1,500	10,241	-	11,741
TOTAL FUNDS	<u>692,533</u>	<u>48,224</u>	<u>-</u>	<u>740,757</u>

**NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	11,369	(20,564)	-	(9,195)
Locomotive Overhaul Fund	34,898	-	24,442	59,340
Locomotive Maintenance Fund	<u>91,628</u>	<u>(103,790)</u>	<u>-</u>	<u>(12,162)</u>
	137,895	(124,354)	24,442	37,983
Restricted funds				
J27 & Q6 Safety Valve Fund	-	(365)	-	(365)
J72 Restoration Fund	<u>17,137</u>	<u>(6,531)</u>	<u>-</u>	<u>10,606</u>
	<u>17,137</u>	<u>(6,896)</u>	<u>-</u>	<u>10,241</u>
TOTAL FUNDS	<u><u>155,032</u></u>	<u><u>(131,250)</u></u>	<u><u>24,442</u></u>	<u><u>48,224</u></u>

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.19 £
Unrestricted funds				
General fund	110,636	239,512	(291,358)	58,790
Locomotive Overhaul Fund	-	-	389,565	389,565
Locomotive Maintenance Fund	<u>-</u>	<u>43,113</u>	<u>199,565</u>	<u>242,678</u>
	110,636	282,625	297,772	691,033
Restricted funds				
Legacy fund	98,207	-	(98,207)	-
Locomotive Maintenance Fund	199,565	-	(199,565)	-
J27 & Q6 Safety Valve Fund	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
	<u>297,772</u>	<u>1,500</u>	<u>(297,772)</u>	<u>1,500</u>
TOTAL FUNDS	<u><u>408,408</u></u>	<u><u>284,125</u></u>	<u><u>-</u></u>	<u><u>692,533</u></u>

**NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	258,172	(20,566)	1,906	239,512
Locomotive Maintenance Fund	<u>191,474</u>	<u>(148,361)</u>	<u>-</u>	<u>43,113</u>
	449,646	(168,927)	1,906	282,625
Restricted funds				
J27 & Q6 Safety Valve Fund	1,500	-	-	1,500
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>451,146</u>	<u>(168,927)</u>	<u>1,906</u>	<u>284,125</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
General fund	110,636	230,317	(286,834)	54,119
Locomotive Overhaul Fund	-	59,340	385,041	444,381
Locomotive Maintenance Fund	<u>-</u>	<u>30,951</u>	<u>199,565</u>	<u>230,516</u>
	110,636	320,608	297,772	729,016
Restricted funds				
Legacy fund	98,207	-	(98,207)	-
Locomotive Maintenance Fund	199,565	-	(199,565)	-
J27 & Q6 Safety Valve Fund	-	1,135	-	1,135
J72 Restoration Fund	<u>-</u>	<u>10,606</u>	<u>-</u>	<u>10,606</u>
	<u>297,772</u>	<u>11,741</u>	<u>(297,772)</u>	<u>11,741</u>
TOTAL FUNDS	<u>408,408</u>	<u>332,349</u>	<u>-</u>	<u>740,757</u>

**NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	269,541	(41,130)	1,906	230,317
Locomotive Overhaul Fund	34,898	-	24,442	59,340
Locomotive Maintenance Fund	<u>283,102</u>	<u>(252,151)</u>	<u>-</u>	<u>30,951</u>
	587,541	(293,281)	26,348	320,608
Restricted funds				
J27 & Q6 Safety Valve Fund	1,500	(365)	-	1,135
J72 Restoration Fund	<u>17,137</u>	<u>(6,531)</u>	<u>-</u>	<u>10,606</u>
	<u>18,637</u>	<u>(6,896)</u>	<u>-</u>	<u>11,741</u>
TOTAL FUNDS	<u><u>606,178</u></u>	<u><u>(300,177)</u></u>	<u><u>26,348</u></u>	<u><u>332,349</u></u>

The trustees have designated funds for the purpose of financing cyclical overhauls of the locomotives which the charity own. These costs will be substantial and the trustees therefore feel it prudent to ring fence reserves to enable those assets to be protected for future generations to enjoy

14. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2020.

15. ULTIMATE CONTROLLING PARTY

The charitable company is controlled by it's trustees.

**NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Subscriptions and donations	56,232	41,716
Grants	11,000	2,100
Legacies	250	211,525
Royalties	-	78
Members events	-	2,685
	67,482	258,104
Other trading activities		
Locomotive hire fees	76,496	185,068
Sales	4,752	1,208
Raffles	-	600
	81,248	186,876
Investment income		
Bank interest receivable	6,302	6,016
Other income		
Gain on sale of tangible fixed assets	-	150
	-	150
Total incoming resources	155,032	451,146
EXPENDITURE		
Raising donations and legacies		
Stock for resale	3,146	483
Member events	-	3,292
	3,146	3,775
Charitable activities		
Insurance	16,274	14,959
Locomotive restoration costs	42,256	91,236
Workshop consumables	2,695	3,184
Travel & subsistence	6,025	10,370
Mainline costs	37,540	13,672
Workshop maintenance	4,397	11,436
Subscriptions and donations	-	350
Health and safety equipment	264	422
Training and medicals	1,235	3,505
Depreciation of leasehold property	3,396	3,396
Depreciation of plant and equipment	2,147	2,147
Depreciation of Vehicles	2,332	389
	118,561	155,066

This page does not form part of the statutory financial statements

**NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
Support costs		
Management		
Administration costs	8,343	8,886
Governance costs		
Accountancy and legal fees	<u>1,200</u>	<u>1,200</u>
Total resources expended	<u>131,250</u>	<u>168,927</u>
Net income before gains and losses	23,782	282,219
Realised recognised gains and losses		
Gains on current asset investments	<u>24,442</u>	<u>1,906</u>
Net income	<u><u>48,224</u></u>	<u><u>284,125</u></u>

This page does not form part of the statutory financial statements

REGISTERED COMPANY NUMBER: 02570979 (England and Wales)
REGISTERED CHARITY NUMBER: 1002017

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

Ribchesters
Chartered Accountants
Finchale House
Belmont Business Park
Durham
DH1 1TW

**NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02570979 (England and Wales)

Registered Charity number

1002017

Registered office

67 The Mount
York
Yorkshire
YO24 1AX

Trustees

J R P Hunt (resigned 9/10/2020)
C J Lawson
N F Hall
P G Hutchinson
R A Pearson
R Marshall
W Dobson
C Foxtton
N Bill

Company Secretary

R Marshall

Independent Examiner

David Holloway
FCA DChA
Ribchesters
Chartered Accountants
Finchale House
Belmont Business Park
Durham
DH1 1TW

Approved by order of the board of trustees on 18 February 2021 and signed on its behalf by:



C J Lawson - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

Independent examiner's report to the trustees of North Eastern Locomotive Preservation Group ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2020.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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



David Holloway
FCA DChA
Ribchesters
Chartered Accountants
Finchale House
Belmont Business Park
Durham
DH1 1TW

18 February 2021

**NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	51,500	15,982	67,482	258,104
Other trading activities	3	80,093	1,155	81,248	186,876
Investment income	4	6,302	-	6,302	6,016
Other income		<u>-</u>	<u>-</u>	<u>-</u>	<u>150</u>
Total		137,895	17,137	155,032	451,146
 EXPENDITURE ON					
Raising funds	5	11,489	-	11,489	12,661
Charitable activities					
Promotion, restoration and preservation		112,865	6,896	119,761	156,266
Total		<u>124,354</u>	<u>6,896</u>	<u>131,250</u>	<u>168,927</u>
Net gains on investments		<u>24,442</u>	<u>-</u>	<u>24,442</u>	<u>1,906</u>
NET INCOME		37,983	10,241	48,224	284,125
 RECONCILIATION OF FUNDS					
Total funds brought forward		<u>691,033</u>	<u>1,500</u>	<u>692,533</u>	<u>408,408</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>729,016</u></u>	<u><u>11,741</u></u>	<u><u>740,757</u></u>	<u><u>692,533</u></u>

The notes form part of these financial statements

**NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

**BALANCE SHEET
31 DECEMBER 2020**

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	9	27,765	-	27,765	35,640
CURRENT ASSETS					
Debtors	10	14,754	-	14,754	16,867
Investments	11	129,608	11,741	141,349	91,906
Cash at bank		<u>568,742</u>	<u>-</u>	<u>568,742</u>	<u>565,621</u>
		713,104	11,741	724,845	674,394
CREDITORS					
Amounts falling due within one year	12	(11,853)	-	(11,853)	(17,501)
		<u>701,251</u>	<u>11,741</u>	<u>712,992</u>	<u>656,893</u>
NET CURRENT ASSETS					
		<u>729,016</u>	11,741	740,757	692,533
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>729,016</u>	<u>11,741</u>	<u>740,757</u>	<u>692,533</u>
NET ASSETS					
	13				
Unrestricted funds				729,016	691,033
Restricted funds				<u>11,741</u>	<u>1,500</u>
TOTAL FUNDS					
				<u>740,757</u>	<u>692,533</u>

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

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

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that 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 charitable company as at the end of each financial year and of 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 charitable company.

The notes form part of these financial statements

**NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

**BALANCE SHEET - continued
31 DECEMBER 2020**

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 18 February 2021 and were signed on its behalf by:

A handwritten signature in black ink that reads "C.J. Lawson". The signature is written in a cursive style with a horizontal line underneath the name.

C J Lawson – Trustee

A handwritten signature in black ink that reads "R. Marshall". The signature is written in a cursive style with a horizontal line underneath the name.

R Marshall – Trustee

**NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold property	- straight line over 10 years
Improvements to property	- straight line over 10 years
Plant & equipment	- straight line over 10 years
Heritage assets	- not provided
Vehicles	- straight line over 3 years

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. DONATIONS AND LEGACIES

	2020	2019
	£	£
Grants	11,000	2,100
Royalties	-	78
Legacy fund	250	211,525
Patron donations	28,345	
		28,085
Sundry donations	<u>27,887</u>	<u>16,316</u>
	<u><u>67,482</u></u>	<u><u>258,104</u></u>

Included in grants received is an amount of £1,000 from the Veronica Awdry Trust, this is restricted and is included in J72 Restoration Fund. Also included in grants received is an amount of £10,000 from Darlington Borough Council.

3. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Locomotive hire fees	76,496	185,068
Sales	4,752	1,208
Raffles	-	600
	<u>81,248</u>	<u>186,876</u>

4. INVESTMENT INCOME

	2020	2019
	£	£
Bank interest receivable	<u>6,302</u>	<u>6,016</u>

5. RAISING FUNDS

Raising donations and legacies

	2020	2019
	£	£
Stock for resale	3,146	483
Member events	-	3,292
Support costs	<u>8,343</u>	<u>8,886</u>
	<u><u>11,489</u></u>	<u><u>12,661</u></u>

**NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation - owned assets	7,875	5,932
Surplus on disposal of fixed assets	<u>-</u>	<u>(150)</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

The charity made allowances totalling £875 during the year for expenses claimed by the trustees whilst doing volunteer work for the specific charitable areas (2019:£1,350).

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	256,604	1,500	258,104
Other trading activities	186,876	-	186,876
Investment income	6,016	-	6,016
Other income	<u>150</u>	<u>-</u>	<u>150</u>
Total	449,646	1,500	451,146
EXPENDITURE ON			
Raising funds	12,661	-	12,661
Charitable activities			
Promotion, restoration and preservation	156,266	-	156,266
Total	168,927	-	168,927
Net gains on investments	<u>1,906</u>	<u>-</u>	<u>1,906</u>
NET INCOME	282,625	1,500	284,125
Transfers between funds	<u>297,772</u>	<u>(297,772)</u>	<u>-</u>
Net movement in funds	580,397	(296,272)	284,125
RECONCILIATION OF FUNDS			
Total funds brought forward	110,636	297,772	408,408

**NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
	<u>£</u>	<u>£</u>	<u>£</u>
TOTAL FUNDS CARRIED FORWARD	<u>691,033</u>	<u>1,500</u>	<u>692,533</u>

9. TANGIBLE FIXED ASSETS

	Leasehold property £	Improvements to property £	Plant & equipment £
COST			
At 1 January 2020 and 31 December 2020	<u>33,963</u>	<u>28,986</u>	<u>21,468</u>
DEPRECIATION			
At 1 January 2020	23,772	28,986	16,725
Charge for year	<u>3,396</u>	<u>-</u>	<u>2,147</u>
At 31 December 2020	<u>27,168</u>	<u>28,986</u>	<u>18,872</u>
NET BOOK VALUE			
At 31 December 2020	<u>6,795</u>	<u>-</u>	<u>2,596</u>
At 31 December 2019	<u>10,191</u>	<u>-</u>	<u>4,743</u>
	Heritage assets £	Vehicles £	Totals £
COST			
At 1 January 2020 and 31 December 2020	<u>14,100</u>	<u>6,995</u>	<u>105,512</u>
DEPRECIATION			
At 1 January 2020	-	389	69,872
Charge for year	<u>-</u>	<u>2,332</u>	<u>7,875</u>
At 31 December 2020	<u>-</u>	<u>2,721</u>	<u>77,747</u>
NET BOOK VALUE			
At 31 December 2020	<u>14,100</u>	<u>4,274</u>	<u>27,765</u>
At 31 December 2019	<u>14,100</u>	<u>6,606</u>	<u>35,640</u>

**NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Gift aid debtor	8,184	8,335
VAT	-	96
Accrued income	6,570	7,958
Prepayments	<u>-</u>	<u>478</u>
	<u>14,754</u>	<u>16,867</u>

11. CURRENT ASSET INVESTMENTS

	2020	2019
	£	£
Investment management fund	<u>141,349</u>	<u>91,906</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
VAT	4,508	10,676
Accrued expenses	<u>7,345</u>	<u>6,825</u>
	<u>11,853</u>	<u>17,501</u>

13. MOVEMENT IN FUNDS

	At 1.1.20	Net movement in funds	Transfers between funds	At 31.12.20
	£	£	£	£
Unrestricted funds				
General fund	58,790	(9,195)	4,524	54,119
Locomotive Overhaul Fund	389,565	59,340	(4,524)	444,381
Locomotive Maintenance Fund	<u>242,678</u>	<u>(12,162)</u>	-	<u>230,516</u>
	691,033	37,983	-	729,016
Restricted funds				
J27 & Q6 Safety Valve Fund	1,500	(365)	-	1,135
J72 Restoration Fund	<u>-</u>	<u>10,606</u>	-	<u>10,606</u>
	1,500	10,241	-	11,741
TOTAL FUNDS	<u>692,533</u>	<u>48,224</u>	<u>-</u>	<u>740,757</u>

**NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	11,369	(20,564)	-	(9,195)
Locomotive Overhaul Fund	34,898	-	24,442	59,340
Locomotive Maintenance Fund	<u>91,628</u>	<u>(103,790)</u>	<u>-</u>	<u>(12,162)</u>
	137,895	(124,354)	24,442	37,983
Restricted funds				
J27 & Q6 Safety Valve Fund	-	(365)	-	(365)
J72 Restoration Fund	<u>17,137</u>	<u>(6,531)</u>	<u>-</u>	<u>10,606</u>
	<u>17,137</u>	<u>(6,896)</u>	<u>-</u>	<u>10,241</u>
TOTAL FUNDS	<u><u>155,032</u></u>	<u><u>(131,250)</u></u>	<u><u>24,442</u></u>	<u><u>48,224</u></u>

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.19 £
Unrestricted funds				
General fund	110,636	239,512	(291,358)	58,790
Locomotive Overhaul Fund	-	-	389,565	389,565
Locomotive Maintenance Fund	<u>-</u>	<u>43,113</u>	<u>199,565</u>	<u>242,678</u>
	110,636	282,625	297,772	691,033
Restricted funds				
Legacy fund	98,207	-	(98,207)	-
Locomotive Maintenance Fund	199,565	-	(199,565)	-
J27 & Q6 Safety Valve Fund	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
	<u>297,772</u>	<u>1,500</u>	<u>(297,772)</u>	<u>1,500</u>
TOTAL FUNDS	<u><u>408,408</u></u>	<u><u>284,125</u></u>	<u><u>-</u></u>	<u><u>692,533</u></u>

**NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	258,172	(20,566)	1,906	239,512
Locomotive Maintenance Fund	<u>191,474</u>	<u>(148,361)</u>	<u>-</u>	<u>43,113</u>
	449,646	(168,927)	1,906	282,625
Restricted funds				
J27 & Q6 Safety Valve Fund	1,500	-	-	1,500
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>451,146</u>	<u>(168,927)</u>	<u>1,906</u>	<u>284,125</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
General fund	110,636	230,317	(286,834)	54,119
Locomotive Overhaul Fund	-	59,340	385,041	444,381
Locomotive Maintenance Fund	<u>-</u>	<u>30,951</u>	<u>199,565</u>	<u>230,516</u>
	110,636	320,608	297,772	729,016
Restricted funds				
Legacy fund	98,207	-	(98,207)	-
Locomotive Maintenance Fund	199,565	-	(199,565)	-
J27 & Q6 Safety Valve Fund	-	1,135	-	1,135
J72 Restoration Fund	<u>-</u>	<u>10,606</u>	<u>-</u>	<u>10,606</u>
	<u>297,772</u>	<u>11,741</u>	<u>(297,772)</u>	<u>11,741</u>
TOTAL FUNDS	<u>408,408</u>	<u>332,349</u>	<u>-</u>	<u>740,757</u>

**NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	269,541	(41,130)	1,906	230,317
Locomotive Overhaul Fund	34,898	-	24,442	59,340
Locomotive Maintenance Fund	<u>283,102</u>	<u>(252,151)</u>	<u>-</u>	<u>30,951</u>
	587,541	(293,281)	26,348	320,608
Restricted funds				
J27 & Q6 Safety Valve Fund	1,500	(365)	-	1,135
J72 Restoration Fund	<u>17,137</u>	<u>(6,531)</u>	<u>-</u>	<u>10,606</u>
	<u>18,637</u>	<u>(6,896)</u>	<u>-</u>	<u>11,741</u>
TOTAL FUNDS	<u><u>606,178</u></u>	<u><u>(300,177)</u></u>	<u><u>26,348</u></u>	<u><u>332,349</u></u>

The trustees have designated funds for the purpose of financing cyclical overhauls of the locomotives which the charity own. These costs will be substantial and the trustees therefore feel it prudent to ring fence reserves to enable those assets to be protected for future generations to enjoy

14. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2020.

15. ULTIMATE CONTROLLING PARTY

The charitable company is controlled by it's trustees.

**NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Subscriptions and donations	56,232	41,716
Grants	11,000	2,100
Legacies	250	211,525
Royalties	-	78
Members events	-	2,685
	67,482	258,104
Other trading activities		
Locomotive hire fees	76,496	185,068
Sales	4,752	1,208
Raffles	-	600
	81,248	186,876
Investment income		
Bank interest receivable	6,302	6,016
Other income		
Gain on sale of tangible fixed assets	-	150
	-	150
Total incoming resources	155,032	451,146
EXPENDITURE		
Raising donations and legacies		
Stock for resale	3,146	483
Member events	-	3,292
	3,146	3,775
Charitable activities		
Insurance	16,274	14,959
Locomotive restoration costs	42,256	91,236
Workshop consumables	2,695	3,184
Travel & subsistence	6,025	10,370
Mainline costs	37,540	13,672
Workshop maintenance	4,397	11,436
Subscriptions and donations	-	350
Health and safety equipment	264	422
Training and medicals	1,235	3,505
Depreciation of leasehold property	3,396	3,396
Depreciation of plant and equipment	2,147	2,147
Depreciation of Vehicles	2,332	389
	118,561	155,066

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**NORTH EASTERN LOCOMOTIVE PRESERVATION
GROUP**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
Support costs		
Management		
Administration costs	8,343	8,886
Governance costs		
Accountancy and legal fees	<u>1,200</u>	<u>1,200</u>
Total resources expended	<u>131,250</u>	<u>168,927</u>
Net income before gains and losses	23,782	282,219
Realised recognised gains and losses		
Gains on current asset investments	<u>24,442</u>	<u>1,906</u>
Net income	<u><u>48,224</u></u>	<u><u>284,125</u></u>

This page does not form part of the statutory financial statements