MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED

(A company limited by guarantee having no share capital)

REPORT AND FINANCIAL STATEMENTS

Year Ended 31st December 2025

BLAIN PRITCHARD LIMITED
Chartered Certified Accountants

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED

(A company limited by guarantee having no share capital)

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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, 2025

The Society's Trustees / Directors (the Council of Management – the Council) present their annual report and independently examined accounts for consideration by the membership at the Society's 53rd Annual General Meeting scheduled for Saturday, July 11th, 2026. 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.

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.

Council of Management Statement

The Council met on 11 occasions in 2025 when both routine business and specific matters of importance were discussed. In doing so it addressed 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 health & safety related, commercial, financial or of human resources. 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.

Health and safety remained 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 relevant standards and legislation and are adhered to by all those members undertaking the various tasks required to enable the locomotive 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 Trustees'/ Directors' 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 surplus of in excess of £113,000 and at year's end was valued at a little over £457,000. Income & Expenditure amounted to approximately £453,000 and £340,000, respectively. It should be noted that in keeping with the requirements of Society's Memorandum of Association and charitable status, no amount of nett income is paid by way of dividend to the members at large. 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, 68 members assisted the Society voluntarily in various capacities and their combined efforts amounted to 1482 days of recorded work; The Council regard this as highly commendable and are particularly pleased to note several new working

members coming forward to assist. Composition of the Council itself remained largely static, but with one member standing aside at the end of October.

The Society was saddened to record the passing of several long standing members including George Barclay, Christopher Brown, Barry Eagles, Jeremy Graham, Norman Hockley, Fred Montague, Rodney Tizard and John Young. The Council extends its condolences to their respective families and friends. At December 31st membership stood at 566.

2025 saw *Clan Line* complete her first full operating season since 2019, due to the outages of 2020-21 (Covid-19) and 2022-24 (boiler repairs), running a total of 23 trips comprising 19 commercial trips, plus four non-revenue or charity events. The Society was invited to attend three events connected with the *Rail 200* celebrations; firstly at *London Waterloo* station alongside Network Rail's "Inspiration" exhibition train in July, the Hitachi works at Ashford works in Kent and the *Greatest Gathering* held at Derby, both in August. Whereupon many members of the public were able to visit the locomotive at close quarters, and in particular the footplate. Indeed, it was pleasing to note that approximately 1600 people visited her footplate whilst at Derby, 800 at Waterloo and 400 at Ashford. A further charitable event was at London Victoria in connection with the premiere of the film *Wicked: For Good.*

Whilst these visits enabled us to educate individuals on the locomotive's history, 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.

Total mileage operated was 4,067 miles with 79% (3,224 miles) in passenger service and 21% (843 miles) non-passenger work, such as empty stock positioning, and movements to or from charitable events. Of the 23 trips operated 14 comprised the core programme of Belmond's "Golden Age of Travel" hauling the British Pullman's signature luncheon journey. The remaining runs involved 3rd party charter operators, taking the engine to Dorset, Somerset, Wiltshire and Worcestershire.

Clan Line and the M.N.L.P.S. racked up a number of significant milestones during 2025. On 7 March the locomotive achieved 26 years of continuous residence at Stewarts Lane depot, the only steam locomotive with a home in London and some 8 years longer than her entire BR career of 18 years and 6 months;

Talks were given by two Council members to two external societies and the Society continued its activities on social media - a key advantage being the ability to introduce heritage railway preservation to new and younger audiences, many of whom may not have previously engaged with the movement and the ongoing story of the locomotive. By year's end there were just over 20,000 'followers' over the various platforms - *Meta (formerly Facebook), Instagram* and *X (formerly Twitter)*. 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, railway orientated discussion forums and a couple of well-known railway media personalities who helped extend the society's reach to broader audiences.

Chairman's Overview

That *Clan Line* is able to continue running on the main Lines of Britain's rail network some 58 years after the ending of steam hauled services in southern England, in July 1967, is nothing short of miraculous, as no one involved in the locomotive's preservation at that time could have ever imagined that would be the case. It is of course due to the co-operation of the owners of national rail network, i.e. previously British Rail and now Network Rail, together with the charter operators. However, without the dedicated group of volunteers with whom the M.N.L.P.S. has been, and continues to be is blessed, nothing would be possible.

When I first became an active society member on a cold, grey weekend at Hereford in February 1983 one of the first things to strike me was the dedication, professional approach and friendly attitude of those around me. It was clear their aim was to keep our locomotive active for as long as possible. I am delighted to say the ethos I became aware of some 43 years ago still remains. I remain awed by our volunteers' efforts – the maintenance of a steam locomotive is arduous and ever ongoing – and extend my thanks to them all.

Howard Reynolds

Members of the Council of Management

			Attendance at meetings
	H. G. Reynolds	(Chairman)	10/11
*	D. Shepherd	(Secretary)	9/11
	S. A. C. Martin	(Treasurer)	10/11
*	J. Cummins		8/11
	C. M. Ellick		9/11
	S. Holman	(resigned October 31st, 2025)	8/10
	T. McPherson		7/11
*	I. Millward		11/11
	D. Mowat		9/11

In accordance with the Articles of Association the members asterisked retire at the 2026 Annual General Meeting and being eligible offer themselves for re-election.

Auditors

Following membership agreement at the 52nd 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

9 May 2026

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 2025, 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
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Kent
ME15 6SL

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31st DECEMBER 2025

	General Purpose Funds	Other Unrestricted Funds	Endowment Funds	2025 Total Funds	2024 Total Funds
INCOMING RESOURCES					
Donations, gifts and similar incoming resources	45,182	-	-	45,182	49,788
Legacies received	9,968	-	-	9,968	4,308
Investment Income	2,226	-	-	2,226	2,291
Trading in furtherance of charitable activities	56,337	-	-	56,337	112,010
OpCo Licence fees	339,396	-	-	339,396	185,696
Sundry income	-	-	-	-	100,786
TOTAL INCOMING RESOURCES	**453,109**	-	-	**453,109**	**454,878**
CHARITABLE RESOURCES EXPENDED					
Support Costs					
Locomotive & rolling stock maint. & consumables	223,053	-	-	223,053	475,964
Transport Expenses	-	-	-	-	-
Insurance, Rent & Sundry expenditure	100,781	-	-	100,781	74,932
Trading Activities					
Production of Society Magazine	1,095	-	-	1,095	1,350
"200 Club" prizes & Registration	469	-	-	469	700
Sales merchandise costs	956			956	-
Other Expenditure					
Governance costs	13,683	-	-	13,683	8,188
Third party charge	-	-	-	-	9,788
TOTAL RESOURCES EXPENDED	**340,038**	-	-	**340,038**	**570,922**
Profit / (Loss) on disposal of Fixed Asset	-	-	-	-	-
Profit / (Loss) on revaluation of Investment Asset	-	-	-	-	-
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS	**113,071**	-	-	**113,071**	**(116,044)**
Transfer between Funds	-	-	-	-	-
NET INCOMING/(OUTGOING) RESOURCES	**113,071**	-	-	**113,071**	**(116,044)**
FUND BALANCES brought forward at 1st January 2025	**331,675**	**12,339**	-	**344,014**	**460,058**
FUND BALANCES carried forward at 31st December 2025	**444,746**	**12,339**	-	**457,085**	**344,014**

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

MERCHANT NAVY LOCOMOTIVE PRESERVATION SOCIETY LIMITED
BALANCE SHEET
31st DECEMBER 2025

	Note	2025		2024	
		£	£	£	£
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		2,781		7,700	
Stock of sale items		7,716		7,716	
Debtors	(6)	148,878		136,820	
Investment - share in subsidiary		1		1	
Investment - CAF Fund		1,383		1,383	
Cash at bank and in hand		352,152		271,052	
		512,912		424,672	
CREDITORS amounts falling due within one year	(7)	68,166		92,997	
			444,746		331,675
			457,085		**344,014**
Represented by:					
INCOME FUNDS					
Unrestricted funds:					
General Purpose funds					
Balance as at 1st January 2025		331,675		447,719	
Transfer from Statement of Financial Activities		113,071		(116,044)	
			444,746		331,675
Other unrestricted funds					
Balance as at 1st January 2025		12,339		12,339	
Transfer from (to) Statement of Financial Activities		-		-	
			12,339		12,339
			457,085		**344,014**

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st December 2025.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st December 2025 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

Howard G Reynolds

H. Reynolds
Chairman
9 May 2026

S.A.C. Martin
Treasurer
9 May 2026

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 2025

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 2025

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 2025

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**	**2025**	*2024*
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**	*1,620*

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 2025

Note 6	Debtors and prepayments	2025	*2024*
6.1	**Analysis of debtors (all amounts falling due within one year)**		
	Trade debtors		
	Other debtors	**148,878**	*136,820*
	Prepayments and accrued income		
		148,878	**136,820**

Note 7	Creditors and accruals	2025	*2024*
7.1	**Analysis of creditors (all amounts falling due within one year)**		
	Loans and overdrafts		
	Accruals	**2,400**	**1,620**
	Other Creditors	**65,766**	**91,377**
		68,166	**92,997**

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 2025 the number of members was 566 (2024 - 472).