

THE CLASS 40 PRESERVATION SOCIETY
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

THE CLASS 40 PRESERVATION SOCIETY

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THE CLASS 40 PRESERVATION SOCIETY

TRUSTEES' REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2022

Officers

President: VACANT
Following the passing of The Honourable William McAlpine in March 2018

Vice President: Peter Watts

Trustees

C Elverstone (appointed 23 April 2022)
T Rogers (appointed 23 April 2022)
G Taylor (appointed 23 April 2022)
D Peacock (appointed 23 April 2022)
J Wilson (appointed 23 April 2022)
S Leighton (appointed 23 April 2022)
P Cameron (appointed 23 April 2022)
J Stephens (resigned 1 March 2022)
L Kenny (resigned 30 November 2021)

Management Committee

Chairman: C Elverstone

Treasurer: S Leighton

Secretary: T Rogers

Other Committee Members: G Taylor
D Peacock
A Williams
J Wilson
P Cameron
M Poulter
J Stephens (resigned 1 March 2022)

Bankers

Yorkshire Bank plc	Barclays Bank plc
Fargate	Bury
Sheffield	Lancashire
S1 2HE	BL9 0JN

Independent Examiners

BHP LLP
One Waterside Place Basin Square,
Brimington Rd
Chesterfield
S41 7FH

Charity Commission Registered Number:

326323

THE CLASS 40 PRESERVATION SOCIETY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trustees' submit their report and financial statements for the year ended 28 February 2022.

Organisational Structure

President: VACANT following the passing of The Honourable William McAlpine

Vice-president: Peter Watts

Management committee

Chairman / Treasurer:

J Stephens (resigned 1 March 2022)

With responsibility for overall running of the Society, and with responsibility for payment of creditors, accountancy and banking.

Secretary:

A Hardman

With responsibility for general Society administration duties and filing returns with The Charities Commission. Arranging committee meetings, organising meeting rooms, producing minutes of meetings and fielding/acknowledging general enquiries sent to CFPS.

Appointment of Trustees

Trustees are appointed by the Members sitting in General Meeting.

OBJECTIVES AND ACTIVITIES

Mission Statement

To preserve and restore to full working order Class 40 Diesel Locomotives and promote their heritage to the general public in whatever manner is available and practical.

THE CLASS 40 PRESERVATION SOCIETY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

Objectives and aims

The CFPS financial year 2021/22 was a year of highs and lows. The highs being the opportunity to ride behind 40145 on the mainline and the lows being the dwindling number of members who were prepared to take up trustee positions.

From the start of the year two of the three locomotives were on hire to external parties, 40145 was on hire to Locomotive Services Limited (LSL) and 40106 to the Severn Valley Railway. The third locomotive 40135 remained under repair at Bury. The income from the hire agreements for these two locomotives, along with members donations and other society activity funded the final payments for the overhaul of 40145 and a repaint a part of the deal with LSL. A significant personal contribution of time and effort by volunteer engineering members also contributed to the cost of the repaint.

40145 appeared in its newly repainted green for the first time at the East Lancashire Railway on the 17th September 2021. On the 30th October 2021 it ran on a rail tour to Plymouth and on the 13th November 2021, on both tours it double headed with LSL hired D213. The financial gains from these activities contributed towards the maintenance and repaint costs.

The LSL contract was set to run until March 2022, however, was ended in January 2022 through mutual agreement between the Committee and LSL.

The Committee at the end of the financial year had reduced to John Stephens and Lee Kenny. Lee resigned in November 2021 and John in March 2022. A new Committee was in place from the start of the next financial year.

THE CLASS 40 PRESERVATION SOCIETY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

PUBLIC BENEFIT

We have referred to the guidance contained in the Charity Commissions general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

FINANCIAL REVIEW

Total income for the year was £136,535 (2021: £73,856) and total expenditure was £135,045 (2021: £59,571) giving a net surplus in the year of £1,490 (2021: £14,285).

RESERVES POLICY

At the year end the Society had total reserves of £775,157 (2021: £773,667) of which £Nil (2021: £623) were restricted and £775,157 (2021: £773,044) were unrestricted. Included within unrestricted funds is a revaluation reserve totalling £482,183 which arose on the restatement in value of the heritage asset disclosed in note 11.

The Society aims to maintain and increase reserves commensurate with the Mission Statement and Objectives of the Society.

THE CLASS 40 PRESERVATION SOCIETY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

STATEMENT OF TRUSTEES' RESPONSIBILITY

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).


The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 FRS 102;
- 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 charity will continue in operation.

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts Reports) Regulations 2008 and the provision of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board on Feb 23, 2023 and signed on its behalf by:


[Clive Elverstone \(Feb 23, 2023 12:33 GMT\)](#)

C Elverstone
Trustee

THE CLASS 40 PRESERVATION SOCIETY

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE CLASS 40 PRESERVATION SOCIETY

I report to the charity trustees on my examination of the accounts of the charity for the year ended 28th February 2022 which are set out on pages 8 to 18.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

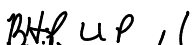
I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.


Adrian Staniforth (Feb 23, 2023 12:35 GMT)

ADRIAN STANIFORTH

BHP LLP

One Waterside Place Basin Square,

Brimington Rd

Chesterfield

S41 7FH

Feb 23, 2023

THE CLASS 40 PRESERVATION SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 28 FEBRUARY 2022

	Notes	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Income from:					
Donations	2	46,998	-	46,998	44,254
Charitable activities	3	89,537	-	89,537	29,602
Total incoming resources		136,535	-	136,535	73,856
Expenditure on:					
Raising funds	4	9,829	-	9,829	10,417
Charitable activities	5	115,818	-	115,818	42,117
Other	6	9,398	-	9,398	7,037
Total resources expended		135,045	-	135,045	59,571
Net incoming resources made before transfers		1,490	-	1,490	14,285
Transfers between funds		623	(623)	-	-
Net movement in funds		2,113	(623)	1,490	14,285
Fund balances brought forward at 28 February 2021		773,044	623	773,667	759,382
Fund balances carried forward at 28 February 2022		775,157	-	775,157	773,667

THE CLASS 40 PRESERVATION SOCIETY

BALANCE SHEET

AS AT 28 FEBRUARY 2022

	Notes	£	2022 £	2021 £
Fixed assets				
Tangible assets	10		718	1,441
Heritage assets	11		684,400	684,600
Investments	12		164	164
			<u>685,282</u>	<u>686,205</u>
Current assets				
Stocks at cost	13	61,382		62,676
Debtors and Prepayments	14	94,730		50,199
Bank balances:				
Deposit accounts		537		15,075
Current accounts		1,620		3,640
Petty Cash		-		-
		<u>158,269</u>		<u>131,590</u>
Creditors: Amounts falling due within one year	15	<u>68,394</u>		<u>44,128</u>
Net current assets			<u>89,875</u>	<u>87,462</u>
			<u>775,157</u>	<u>773,667</u>
Represented by:				
Funds	- Unrestricted	16	292,974	290,861
	- Restricted	16/18	-	623
	- Revaluation reserve	16	482,183	482,183
			<u>775,157</u>	<u>773,667</u>

The financial statements were approved by the Management Committee on Feb 23, 2023 and are signed on behalf of the Management Committee by:

S Leighton

S Leighton (Feb 23, 2023 10:15 GMT)

S Leighton
Trustee

THE CLASS 40 PRESERVATION SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2022

1 Accounting policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with 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) the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The Class 40 Presentation Society meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially measured at historical costs or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £1.

1.2 Subscriptions

This source of income represents the actual cash amounts received by the Treasurer during the year.

1.3 Fund accounting

General unrestricted funds comprise accumulated surpluses and deficits on the general funds. They are available for use at the discretion of the Management Committee in furtherance of The Class 40 Preservation Society's general charitable objectives.

Restricted funds are created when donations are made for a particular area or purpose, the use of which is restricted to that area or purpose. Expenditure is charged to the Statement of Financial Activities when incurred. The restricted funds relate to income and expenditure regarding the following:-

- i. Shed Fund – covered accommodation for locomotives

1.4 Taxation

As a charity, The Class 40 Preservation Society is exempt from tax on income and gains falling within the available tax exemptions to the extent that these are applied to its available objects. No tax charges have arisen in the charity.

1.5 Incoming resources

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of general nature are recognised where there is an entitlement, it is probable that the income will be received, and the amount can be measured with sufficient reliability.

THE CLASS 40 PRESERVATION SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2022

1 Accounting policies - continued

1.6 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs 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 the resources.

Fundraising costs are those incurred in seeking voluntary contributions. Support costs are those costs directly in support of expenditure on the objects of the charity that cannot be allocated to specific activities. These include staff costs, general premises and office expenses, depreciation and costs of governing the charity.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets costing more than £250 are capitalised and included at cost or valuation including any incidental expenses of acquisition.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Plant and equipment	20% straight line
Vans	10% straight line

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

1.9 Heritage assets

Heritage assets are recognised on the balance sheet and initially measured at cost when purchased or if donated, their valuation. Assets are subsequently stated at cost or valuation less accumulated depreciation and accumulated impairment losses.

Acquisitions only arise when donated to the charity or if it is believed that they will further the charity's objectives. Once acquired they will be preserved by the charity in order to keep their historical, artistic, scientific, technological, geographical or environmental qualities to such a high level as to contribute to knowledge and culture. Heritage assets are to be held for the foreseeable future.

Depreciation is provided on the following basis:

Heritage asset – held at cost	50 years straight line
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1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

THE CLASS 40 PRESERVATION SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

1 Accounting policies - continued

1.11 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.12 Going concern

The trustees have considered the level of funds held and expected level of income and expenditure for 12 months from authorising these financial statements. These figures show the charity has sufficient cash and reserves to continue operations for the foreseeable future. The financial statement have therefore been prepared on a going concern basis.

2	Donations	Unrestricted	Restricted	Total	Total
		Funds	Funds	Funds	Funds
		2022	2022	2022	2021
		£	£	£	£
	Donations	37,346	-	37,346	34,132
	Subscriptions	9,652	-	9,652	10,122
		<u>46,998</u>	<u>-</u>	<u>46,998</u>	<u>44,254</u>

In 2021, of the total income from donations, £44,254 was to unrestricted funds and £Nil was to restricted funds.

3	Charitable activities	Unrestricted	Restricted	Total	Total
		Funds	Funds	Funds	Funds
		2022	2022	2022	2021
		£	£	£	£
	Product sales	41,110	-	41,110	11,015
	Loco hire	47,093	-	47,093	18,488
	Raffle income	1,334	-	1,334	-
	Other	-	-	-	99
		<u>89,537</u>	<u>-</u>	<u>89,537</u>	<u>29,602</u>

In 2021, of the total income from charitable activities, £29,602 was to unrestricted funds and £Nil was to restricted funds.

THE CLASS 40 PRESERVATION SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

4	Raising funds	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
	Cost of goods for resale	5,558	-	5,558	6,938
	Raffle costs	298	-	298	20
	Magazine printing	3,973	-	3,973	3,459
		<u>9,829</u>	<u>-</u>	<u>9,829</u>	<u>10,417</u>

In 2021, of the total expenditure for raising funds, £10,417 was to unrestricted funds and £Nil was to restricted funds.

5	Charitable activities	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
	Loco maintenance	91,355	-	91,355	17,487
	Insurance	3,924	-	3,924	4,591
	Postage, Telephone and Stationery	2,414	-	2,414	3,760
	Advertising	-	-	-	426
	Bank charges and interest	(3)	-	(3)	-
	Motor expenses	16,123	-	16,123	14,336
	Travelling	1,082	-	1,082	392
	Depreciation	923	-	923	1,125
		<u>115,818</u>	<u>-</u>	<u>115,818</u>	<u>42,117</u>

In 2021, of the total expenditure for charitable activities, £42,117 was to unrestricted funds and £600 was to restricted funds.

6	Other	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
	Accountancy and bookkeeping	8,699	-	8,699	6,617
	Computer expenses	699	-	699	420
		<u>9,398</u>	<u>-</u>	<u>9,398</u>	<u>7,037</u>

In 2021, of the total other expenditure, £7,037 was to unrestricted funds and £Nil was to restricted funds.

THE CLASS 40 PRESERVATION SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2021

7 Surplus for the year

The surplus for the year is shown after charging:

	Total 2022	Total 2021
	£	£
Independent examination	2,020	1,800
Depreciation	923	1,125

8 Locomotive maintenance

	Total 2022	Total 2021
	£	£
Opening stock of spares	49,733	7,000
Expenditure - General	91,355	60,220
	141,088	67,220
Less: Closing stock of spares	(49,733)	(49,733)
	91,355	17,487

9 Trustees remuneration

No trustees received any remuneration during the year.

No trustees had expenses reimbursed in 2022 (2021: Nil).

10 Tangible fixed assets

	Plant & Equipment	Van	Total
	£	£	£
Cost			
At 1 March 2021	8,197	2,703	10,900
Additions	-	-	-
Disposal	-	-	-
At 28 February 2022	8,197	2,703	10,900
Depreciation			
At 1 March 2021	6,756	2,703	9,459
Charge for the year	723	-	723
As at 28 February 2022	7,479	2,703	10,182
Net Book Value			
As at 28 February 2022	718	-	718
As at 28 February 2021	1,441	-	1,441

THE CLASS 40 PRESERVATION SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

11. Heritage assets	Assets held at Cost 2022 £	Assets held at valuation 2022 £	Total 2022 £
Carrying amount			
At 1 March 2021	9,600	675,000	684,600
Additions	-	-	-
Depreciation	200	-	200
	<u>9,400</u>	<u>675,000</u>	<u>684,400</u>

12 Investments

Investments represent the cost of acquisition of the whole of the issued share capital of CFPS Mainline Limited, a company registered in England and Wales, and also the formation costs of the company. The company had no transactions in the year and the net liabilities at 28 February 2022 were £164 (2021: £164).

13 Stock

Stock has been valued at the lower of cost and net realisable value and comprises:

	2022 £	2021 £
Goods held for resale	11,649	12,943
Spares	49,733	49,733
	<u>61,382</u>	<u>62,676</u>

14 Debtors	2022 £	2021 £
Inter-company balance	376	376
Gift aid	24,540	16,707
Trade debtors	66,769	5,817
VAT	3,045	10,799
Accrued Income	-	16,500
	<u>94,730</u>	<u>50,199</u>

THE CLASS 40 PRESERVATION SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

	2022	2021
	£	£
15 Creditors: Amounts falling due within one year		
Accruals	17,449	33,800
Other Creditors	50,945	10,328
	<u>68,394</u>	<u>44,128</u>

16 Analysis of net assets between funds

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Fixed assets	718	-	718	1,605
Heritage assets	684,400	-	684,400	684,600
Current assets	158,433	-	158,433	131,590
Current liabilities	(68,394)	-	(68,394)	(44,128)
	<u>775,157</u>	<u>-</u>	<u>775,157</u>	<u>773,667</u>

17 Related party transactions

As described in note 12, CFPS mainline Limited is the Society's wholly owned subsidiary company.

Balances due from CFPS mainline Limited:

	2022	2021
	£	£
Loan account	<u>375</u>	<u>375</u>

Donations totalling £734 (2021 – £25) were received from four trustees during the year.

At the year end, a balance of £13,629 (2021: £3,224) was due to John Stephens, a trustee (resigned 1 March 2022), for charitable costs paid for personally by John which need reclaiming.

THE CLASS 40 PRESERVATION SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2022

18 Analysis of restricted funds

	As at 01.03.21 £	Income £	Expenditure £	Transfers £	As at 28.02.22 £
Shed Appeal	623	-	-	(623)	-
	<u>623</u>	<u>-</u>	<u>-</u>	<u>(623)</u>	<u>-</u>

Restricted Funds

Shed Appeal

Funding for the accommodation covering the locomotives.

Transfers

There is no longer any prospect to have a loco shed built. These monies have been transferred to general funds as they will not be clawed back.