

MIDDLETON RAILWAY TRUST

TREASURER'S REPORT YEAR ENDED 31 December 1971

1. The Statement of Income and Expenditure appears this year in a slightly revised form. Instead of showing expenditure classified by resources or items, an attempt has been made, in so far as is possible, to allocate expenditure to the activity which it was incurred, and to show this expenditure opposite the corresponding income from that activity. Thus we see, for example, that the Visitors' Service brought in £190.69, and that expenditure attributable to that service was taken as coal and direct advertising at a total cost of £133.83. In this way it is intended that the Income and Expenditure statement should draw attention to those areas of the Trust's activity to which special consideration needs to be given, either by way of reducing costs, or by generating further income.
2. It will be seen that the excess of Expenditure over Income for the year is £772.72. This figure includes a total expenditure of £849.24 for capital payments, repayment of the Great Eastern Railway Fund, and a payment in respect of operations in earlier years; against this may be offset income of £124.86. In addition, a nett total of £32.82 has been credited to the appeal fund, representing, in part, the surplus on the Dartmouth Dawdler/Steam 71 event. After allowing for these items, the excess of Expenditure over Income for the Trust's direct operating activities in 1971 is £15.42.
3. Reviewing the contribution of each of the Trust's activities to the Income and Expenditure account in 1971, it may be reasonably assumed that the contributions from Goods Traffic, Visitors' Services, Sales and Special Events have been satisfactory, although it is to be hoped that the excess of Income over Expenditure for Visitors' Services, and possibly Sales also, will increase appreciably in the future. Both of these activities have, of course, been severely affected during 1971 by the closure of the Middleton Park line for much of the summer.
4. There has been an unfortunate decline in membership during 1971, coupled with high costs of administration. The first factor will be dealt with by the Membership Secretary in his report; the second deserves some comment here.

- 4.1 The "Old Run" experimental editions have cost a total of £247.96 subdivided as follows:

Editorial Expenses	£8.61
Type-setting and Printing:	
Spring issue	£65.00
Summer issue	£73.32
Autumn issue	£58.01
Winter issue	£43.02

The A.G.M. will no doubt wish to spend some time considering the future of the "Old Run", but it is likely that future issues could continue to be produced at about the same cost as for the Winter 1971 issue. The question that members must consider is whether this level of expenditure is acceptable in relation to the value of the magazine in retaining existing membership, attracting new members and in general publicity value. The above figures do not include either income from Sales or distribution charges.

- 4.2 Insurance is an essential item of expenditure and should be set against income from members contributions, interest etc., rather than operating surpluses, because even if the Trust were to cease receiving income from train operations we should no doubt still wish to steam and operate locomotives on the Railway.
- 4.3 The other overheads, particularly postage, are subject to the general upward trend of prices. However, 1971 has seen two Special General Meetings, with associated duplicating and postal costs, so it may be hoped that future years will see some reduction in expenditure under this heading.
5. Safety, Publicity and the various types of Maintenance are all activities that should be covered by surpluses from traffic operation and sales, and this is largely the case. Mechanical Maintenance in particular includes some large non-recurring items, such as £84.50 for a new smokebox for "Matthew Murray"

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and £75.00 for spares from APCM Swanscombe. Expenditure of this nature will not necessarily be so great in the future.

6. Overall, I feel that there is no undue cause for alarm over the seemingly high deficit in 1971. It must be borne in mind that the Trust is now able to approach incorporation free from loan repayment commitments, and that the present asset and reserve position provides a firm basis for future growth. A further favourable factor is that now our Charitable status has been confirmed we shall be able to recoup income tax paid on subscriptions entered under Deed of Covenant, and we are currently pursuing this matter. It will be seen as well that the appeal account stands at £351.12, largely because of the payment of £277 which was our share of the proceeds of the Yorkshire Railways Exhibition. Following the purchase of the Middleton Park Line, this account has been retained to accumulate funds for our planned depot and museum, and it will continue to be developed to this end.

J.D. Carr
Treasurer
February 1972

Enclosures:

- i. Statement of Income and Expenditure in 1971.
- ii. Balance Sheet as at 31 December 1971.

To follow at A.G.M.:

- iii. Statement of Stock Valuation and Inventory at 31 December 1971.
- iv. Summary of Appeal Account 1968-1971.

£8.61

Editorial Expenses
Type-setting and Printing:

£65.00
£75.52
£58.01
£45.02

Spring issue
Summer issue
Autumn issue
Winter issue

The A.G.M. will no doubt wish to spend some time considering the future of the "Old Man", but it is likely that future issues could continue to be produced at about the same cost as for the Winter 1971 issue. The question that members must consider is whether this level of expenditure is acceptable in relation to the value of the magazine in retaining existing membership, attracting new members and in general publicity value. The above figures do not include either income or distribution charges.

It is suggested in an essential item of expenditure and should be set against income from members' contributions, interest etc., rather than operating expenses. Because even if the Trust were to cease receiving income from train operations we should no doubt still wish to steam and operate locomotives on the railway.

The other overheads, particularly postage, are subject to the general upward trend of prices. However, 1971 has seen two Special General Meetings, with associated duplicating and postal costs, so it may be hoped that future years will see some reduction in expenditure under this heading.

Safety, liability and the various types of maintenance are all activities that should be covered by equipping from traffic operation and sales, and this is largely the case. Mechanical maintenance is particularly included some large non-recurring items, such as £30.50 for a new smokebox for "Matthew Murray".

BALANCE SHEET AS AT 31 December 1971

LIABILITIES

Capital and Reserves:
Brought Forward

£.p
3477.59

ADD:

Repayment of loan" 100.00
Capital Purchase* 260.50
Unpresented Cheque
written off .68

3838.77

LESS:

Disposal 100.00
Loss on year 772.72

872.72

ASSETS

Locomotives, Stock,
Tools etc. 2105.00

ADD:

Locomotive Purchase 260.50
2365.50

LESS:

Disposal 100.00

2265.50

Floats with Officers 18.66

Bank Deposit Account 255.19

Bank Current Account 837.65

LESS:

Unpresented Cheques 426.69

410.96

Cash in hand 15.74

2966.05

2966.05

Capital Value Analysis

(i) Allow Capital Value of Trust at 31/12/71	2466.05
(ii) Reserves for maintenance	200.00
(iii) Reserves for insurance	150.00
(iv) Reserves for creditors	150.00
	<u>2966.05</u>

Notes:

" Loan repaid is "anonymous 'a'" dating from 1967. The Trust now has no loans outstanding. The commitment to repay the Great Eastern Railway Fund to Dr R.F. Youell was also honoured during 1971 by the payment of £423.36.

* The book value of the APCM locomotive has been taken as the cost of its acquisition and transport. In common with all our locomotives, this is an underestimate of its true value, thus ensuring ample margins for the Trust to meet future commitments.

MIDDLETON RAILWAY TRUST

STATEMENT OF INCOME AND EXPENDITURE 1971

<u>INCOME</u>	<u>£.p</u>	<u>EXPENDITURE</u>	<u>£.p</u>
Subscriptions and Donations	219.89	Administration: "Old Run"	247.96
Interest on Bank Deposit Account	22.06	Insurances	146.23
		Stationery, Postage etc.	139.38
Goods Traffic	601.48	Diesel Fuel	18.69
Visitors' Services	190.69	Coal	117.60
		Advertising Visitors Services	16.23
Special Events: Dartmth Dawdler	83.84	Special Events: Dartmth Dawdler	45.72
		Yorkshire Railways Exhbn.	15.43
		Safety	14.57
Sales	526.92	Sales	402.54
		Publicity	64.22
Sale of Scrap: Mechanical Engrn	4.13	Mechanical Maintenance	367.45
Newspapers	2.65	Permanent Way Maintenance	20.09
		Building Maintenance etc.	51.07
"Working" Income	1651.66	"Working" Expenditure	1667.18
Other Income:		Other Payments:	
Sale of loco. to LUURTS	100.00	Purchase of Locomotive (APCM)*	62.50
		Transport of APCM locomotive	198.00
Donations to Appeal Fund**	7.00	Transfers to Appeal Fund	39.82
Donations to G.E.R. Fund	24.86	Repayment of G.E.R. Fund	423.36
Total Income in 1971	1783.52	Repayment of loan	100.00
Excess of Expenditure over		Payments in respect of admun	
Income in 1971	772.72	and publicity in previous years	65.38
	<u>2556.24</u>	Total Expenditure in 1971	<u>2556.24</u>

* Two locomotives were purchased from APCM Swanscombe as an ARPS package deal negotiated through M.R.T. The cost of these was shared equally between the Quainton Railway Society and M.R.T.

** Other payments have been made direct to the Appeal Fund - see attached summary.

Bank Reconciliation

<u>Balance at 31 December 1970:</u>		<u>Balance at 31 December 1971:</u>	<u>£.p</u>
Cash in hand	£41.14. 2d	Cash in hand	15.74
Floats with Officers	£7. 9. 6d	Floats with Officers	18.66
Bank Current Account	£766.18. 4d	Bank Current Account	£837.65
		Less chqs not yet presented	£423.36
			<u>£3.33</u>
			£426.69
Bank Deposit Account	£656. 9. 9d	Bank Deposit Account	255.19
	<u>£1472.11. 9d</u>		<u>700.55</u>
Add: cheque drawn 1966 not collected and now written off	13. 6d	Excess of Expenditure over Income in 1971	772.72
	<u>£1473. 5. 3d</u>		<u>1473.27</u>
Decimal Equivalent	<u>£1473.27p</u>	(allowing rounding error on conversion)	