

Comptrollers comments -
MIDDLETON RAILWAY ACCOUNTS

1. The general state of the financial position of the Trust is satisfactory, but there is a definite temporary shortage of liquid resources.

2. In considering the accounts we should take as the object of the Trust two points:

i. To operate a railway.

ii. Preserve railway machines and relics.

3. Operations show a further fall in revenue with traffic receipts for the year being £545. 2. 8d.
The total cost for operating and maintenance 199. 16. 7d.
This gives a gross margin on operations 345. 6. 1d.
Administration and Insurance, (Insurance alone is £207.), plus post and 'phone gives a figure of 248. 6. 11d.
This gives a nett margin on operations of 96. 19. 2d.

4. The first object - railway operating has therefore shown a small surplus for preservation purposes and the assets of the Trust.

5. The second object - preservation shows an overspending.

6. During the year we have purchased an engine and also acquired a shed for the functional purposes of the Trust. These two have cost us £495. Normally this would be financed out of subscriptions and donations.

Treating the sale of scrap however, as a form of converting one type of asset to another, our total revenue for preservation purposes has been £189. 16. 1d.

Add to this the surplus on operating 96. 19. 2d.
This gives a total revenue for preservation purposes of.. 286. 15. 3d.

7. On the preservation account therefore, there has been an overspending of £208. 4. 9d.

8. Loans -
We have paid off £100. 0. Od.
of the Hunslet loan, but have been given a further loan of £100. 0. Od.
so the question of loans remains the same.
9. Drawing up the Balance sheet on a future occasion we must show contingencies for maintenance and repairs of engines and the assets we get to cover these contingencies should be in a reasonably liquid form such as Bank deposit.
10. Since the preparation of the accounts we have had a further payment from Robinson and Birdsell of £160 odd.
11. The most pressing need seems to be to bring the revenue back and the decline has been mainly due to the policy of British Railways and the demurrage charges for detention of wagons by our customers. Our Chairman has already initiated action to try to clear this problem, but he does need the support of members.
12. The need to increase our income is very great. The best possible source of revenue is the interworks traffic. This does mean a regular and reliable daily service relying on the active support of members. The wagons which are being bought against scrap material should be given priority in converting them for interworks trains in 2 3 wagon sets.

continued

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continued

13. To help in our problem of liquid assets, all salvageable scrap should be brought together and disposed of at the best possible price. This however is not revenue but converting one form of assets to another.
14. During the year there has been a considerable programme of track maintenance, and due to the activities of a relatively small group of members this has been accomplished at virtually no cost to the Trust, but a considerable improvement in the assets of the Trust.
15. In the last eighteen months, cash set aside to cover contingencies has been put into a bank deposit account and this has already yielded, £35. 18. 2d. in interest.
16. The following are the suggested financial targets for 1968:-
 - i. Determined effort to try to increase the British Rail revenue on the lines already set out by the Chairman.
 - ii. Develop the interworks traffic by a reliable service and liaison with the firms concerned.

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