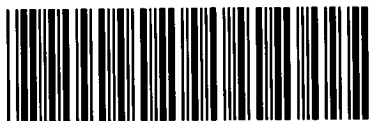


Report of the Trustees and  
Unaudited Financial Statements for the Year Ended 31 January 2016  
for  
Ayrshire Railway Preservation Group

WEDNESDAY



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for the Year Ended 31 January 2016

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Ayrshire Railway Preservation Group

Company Information  
for the Year Ended 31 January 2016

<b>CHARITY NAME:</b>	Ayrshire Railway Preservation Group
<b>CHARITY ADDRESS:</b>	38 Ashgrove Street Ayr KA7 3BG
<b>CHARITY NUMBER:</b>	SC016127
<b>TRUSTEES:</b>	A G C Thomson A R Thom A S Arnot J Bryden C Loarridge W Clark W N Gee
<b>SECRETARY:</b>	A G C Thomson
<b>REGISTERED OFFICE:</b>	38 Ashgrove Street Ayr KA7 3BG
<b>REGISTERED NUMBER:</b>	SC121786 (Scotland)
<b>BANKERS:</b>	The Royal Bank of Scotland plc 96 John Finnie Street Kilmarnock Ayrshire KA1 1NY
<b>SITE LOCATION:</b>	Dunaskin Heritage Centre Waterside Patna Ayrshire KA6 7JF
<b>INDEPENDENT EXAMINER:</b>	Anthony Frank Sheward FCCA 6 Grange Way Willington Bedford MK44 3QW

Report of the Trustees  
for the Year Ended 31 January 2016

The trustees present their report with the financial statements of the company for the year ended 31 January 2016.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

For the purposes of charity law, the directors of the company are the trustees of the Group. The financial statements comply with the Memorandum and Articles of Association by which the company is governed. The company is recognised as a charity by the Inland Revenue and the Scottish charity number is SC016127.

**Trustees**

The trustees shown below have held office during the whole of the period from 1 February 2015 to the date of this report.

A G C Thomson  
C Loarridge  
W Clark

Other changes in trustees holding office are as follows:

A W Graham - resigned 31 January 2016  
A R Thom - resigned 9 April 2016  
A S Arnot - resigned 4 April 2016  
J Bryden - resigned 10 April 2016  
W N Gee - appointed 11 February 2015, resigned 7 June 2016

The Company is limited by guarantee and there is no issued share capital at 31 January 2016.

The trustees are elected to office by the members at the Group's annual general meetings. In accordance with the Articles of Association, W Clark and A G C Thomson will retire at the forthcoming annual general meeting, and being eligible, will stand for re-election. There are currently five unfilled vacancies on the board.

Day to day management is in the hands of the trustees, with some aspects of work on site being delegated to other volunteer members, but who are always answerable to the board. All work undertaken by the Group is done by volunteer members. There are no paid employees.

New trustees are usually appointed from among regular volunteers and therefore are familiar with the company's activities. Where necessary, induction to the board is incorporated in the first meeting following appointment. The board has authority to co-opt members to fill vacancies; such appointments require ratification at the next AGM.

**RISK MANAGEMENT**

The major strategic, business and operational risks that the company face have been examined by the trustees and they have confirmed that existing reporting systems in conjunction with the revised safety management systems are sufficient to lessen the risks.

**GUARANTEE**

In accordance with the Memorandum of the Association, each member undertakes, in the event of a winding up, to contribute up to a maximum of one pound each to the assets of the Association (if called upon to do so).

**OBJECTIVES AND ACTIVITIES**

The principal activities of the company in the year under review were those of the preservation and restoration of industrial railway heritage, and of making the experience of that heritage available to the public for entertainment and education, through a series of steam open days.

As mentioned below, the company was successful in the purchase of part of the operating site. One condition of the purchase was that a business plan was produced. This plan allows for an increase in public operating days, and increase in volunteer members, and a reduction in the age profile of members.

**ACHIEVEMENTS AND PERFORMANCE**

Although completed later than expected, the company was successful in purchasing part of the operating site in June of 2015. A lease has been obtained for continued operation on the remainder of the site. However, no rent is payable as long as the buildings used on the leased ground are maintained to their current standard.

### **ACHIEVEMENTS AND PERFORMANCE - continued**

Permission to replace faulty and damaged rainwater guttering and down pipes on the locomotive shed with suitable alternative materials was obtained and this matter is now closed.

Two additional open days were offered, and the total visitors for the year amounted to 3127, compared with 2,450 visitors last year.

Ticket prices were increased slightly, and again, both shop and café showed a good return.

The fireless locomotive, which is now fully restored and is also believed to be the only operational fireless locomotive in the UK, was operating on a number of open days during the year.

Due to the extremely worn nature of the trackwork outside the engine shed, a decision was made late in the year to renew the track. The flooding during the winter months hampered this work, but due to the hard work and dedication of the volunteers, all four roads were fully operational before the start of the 2016 operating season.

Some problems arose when the steam locomotive No 10 was presented for its annual boiler certification, and subsequent rectification and repair resulted in the loco not being available for the first steam weekend of the 2016 open days. Repairs have now been completed and the locomotive is once again ready for service.

The travelling sales and display stand visited model rail exhibitions within Ayrshire and adjoining counties, and has submitted a reasonable cash return for the considerable effort expended.

During the winter months our meetings at Geordie's Byre continue to be popular with good attendances at each meet.

### **FINANCIAL REVIEW**

The results for the year and financial position of the company are as shown in the annexed financial statements.

#### **Dividends**

No dividends will be distributed for the year ended 31 January 2016. Under the Articles of Association, no distribution can be made by way of a dividend to the members of the company, and during the year no such distributions were made.

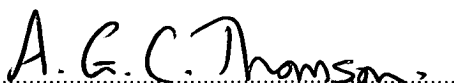
The company retains sufficient reserves to cover its current liabilities. Cash not required for current operational purposes is held on deposit with the Royal Bank of Scotland plc.

### **FUTURE DEVELOPMENTS**

The board continues to work towards implementation of the business plan. The possibility of additional covered accommodation for the long-term storage and restoration of railway vehicles continues to be explored, as does the possibility of a long-term lease on use of the former Scottish Coal Board line to allow for an increased running line.

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

### **ON BEHALF OF THE BOARD:**

  
A G C Thomson - Secretary

Date: 10-08-2016

Ayrshire Railway Preservation Group

Statement of Financial Activities  
31 January 2016

	Unrestricted Funds £	Restricted Funds £	31.1.16 Total £	31.1.15 Total £
<b>INCOMING RESOURCES</b>				
Donations and legacies	13,482	2,200	15,682	27,808
Charitable activities	11,394	-	11,394	8,076
Trading activities	4,541	-	4,541	4,155
Investment income	9	-	9	307
Other income	6,519	-	6,519	8,000
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL INCOMING RESOURCES</b>	<b>35,945</b>	<b>2,200</b>	<b>38,145</b>	<b>48,346</b>
<b>RESOURCES EXPENDED</b>				
Raising funds	4,456	-	4,456	3,783
Charitable activities	30,803	-	30,803	24,426
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL RESOURCES EXPENDED</b>	<b>35,259</b>	<b>-</b>	<b>35,259</b>	<b>28,209</b>
Net movement on Funds before Other Recognised (Deficit)/Surplus	686	2,200	2,886	20,137
Other Recognised Surpluses	<hr/> -	<hr/> -	<hr/> -	<hr/> -
Net Movement on Funds	686	2,200	2,886	20,137
Total Funds Brought Forward	85,341	14,075	99,416	79,279
Transfers between funds	16,275	(16,275)	-	-
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>102,302</b>	<b>-</b>	<b>102,302</b>	<b>99,416</b>

The notes form part of these financial statements

Ayrshire Railway Preservation Group

Income and Expenditure Account  
for the Year Ended 31 January 2016

	Notes	31.1.16 £	31.1.15 £
<b>INCOME</b>		18,150	13,267
Expenditure		<u>7,612</u>	<u>6,381</u>
<b>GROSS SURPLUS</b>		10,538	6,886
Administrative expenses		<u>27,647</u>	<u>21,828</u>
		(17,109)	(14,942)
Other operating income		<u>19,986</u>	<u>34,772</u>
<b>OPERATING SURPLUS</b>	2	2,877	19,830
Interest receivable and similar income		<u>9</u>	<u>307</u>
<b>SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		2,886	20,137
Tax on surplus on ordinary activities	3	<u>-</u>	<u>-</u>
<b>SURPLUS FOR THE FINANCIAL YEAR</b>		<u><u>2,886</u></u>	<u><u>20,137</u></u>

The notes form part of these financial statements

Balance Sheet

31 January 2016

	Notes	31.1.16 £	£	31.1.15 £	£
<b>FIXED ASSETS</b>					
Tangible assets	4		120,483		59,063
<b>CURRENT ASSETS</b>					
Stocks	5	3,798		5,646	
Debtors	6	3,643		6,366	
Cash at bank and in hand		<u>31,312</u>		<u>66,504</u>	
		38,753		78,516	
<b>CREDITORS</b>					
Amounts falling due within one year	7	<u>538</u>		<u>1,858</u>	
<b>NET CURRENT ASSETS</b>			<u>38,215</u>		<u>76,658</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			158,698		135,721
<b>ACCRUALS AND DEFERRED INCOME</b>	9		<u>56,396</u>		<u>36,305</u>
<b>NET ASSETS</b>			<u>102,302</u>		<u>99,416</u>
<b>RESERVES</b>					
<b>Unrestricted Funds</b>					
General	10		102,302		85,341
<b>Restricted Funds</b>					
Site Purchase Fund	10		<u>-</u>		<u>14,075</u>
			<u>102,302</u>		<u>99,416</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 January 2016.

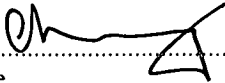
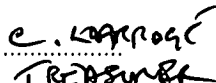
The members have not required the company to obtain an audit of its financial statements for the year ended 31 January 2016 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- 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 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 company.

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the board of trustees on 10th August 2016 and were signed on its behalf by:


  
 Trustee

The notes form part of these financial statements



1. **ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

**Income**

Income represents trading and membership income received, excluding value added tax.

**Tangible fixed assets**

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

Land and buildings	- 4% straight line
Infrastructure costs	- 10% on reducing balance
Exhibits	- 10% on reducing balance
Plant and machinery	- 25% on reducing balance
Fittings	- 10% on reducing balance
Security compound	- 10% on reducing balance

Fixed assets are included in the accounts at their historic cost less accumulated depreciation. Where any of the assets were not purchased, the direct costs incurred in creating them have been capitalised.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Donations and subscriptions**

Donations and subscriptions are allocated to the income and expenditure account in the year in which they are received. The subscriptions received for life membership are not material and are therefore also included in income in the year of receipt.

**Grants receivable**

All grants receivable are allocated to the income and expenditure account in line with the expenditure to which they relate.

**Allocation of expenditure**

Expenditure is allocated between the cost of raising funds and cost of charitable activities. These costs are all readily definable but are increased by an appropriate proportion of governance costs, pro rata to directly chargeable costs.

2. **OPERATING SURPLUS**

The operating surplus is stated after charging:

	31.1.16	31.1.15
	£	£
Depreciation - owned assets	9,093	6,967
Loss on disposal of fixed assets	104	-
	<u>          </u>	<u>          </u>
Directors' remuneration and other benefits etc	<u>          </u>	<u>          </u>

3. **TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 January 2016 nor for the year ended 31 January 2015.

Notes to the Financial Statements - continued  
for the Year Ended 31 January 2016

3. **TAXATION - continued**

The company is recognised as a charity by the Inland Revenue and therefore no corporation tax liability has been provided.

The company has started a gift aid scheme with effect from 6 April 2002. Tax recoverable under this scheme is credited to the income section of the income and expenditure account.

4. **TANGIBLE FIXED ASSETS**

	Land & Buildings £	Infrastructure costs £	Exhibits £
<b>COST</b>			
At 1 February 2015	-	138,499	25,978
Additions	<u>70,319</u>	<u>-</u>	<u>-</u>
At 31 January 2016	<u>70,319</u>	<u>138,499</u>	<u>25,978</u>
<b>DEPRECIATION</b>			
At 1 February 2015	-	100,905	17,722
Charge for year	2,813	3,759	896
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>-</u>
At 31 January 2016	<u>2,813</u>	<u>104,664</u>	<u>18,618</u>
<b>NET BOOK VALUE</b>			
At 31 January 2016	<u>67,506</u>	<u>33,835</u>	<u>7,360</u>
At 31 January 2015	<u>-</u>	<u>37,594</u>	<u>8,256</u>

	Plant and machinery £	Fittings £	Security compound £	Totals £
<b>COST</b>				
At 1 February 2015	9,219	16,148	1,909	191,753
Additions	-	298	-	70,617
Disposals	<u>-</u>	<u>(142)</u>	<u>-</u>	<u>(142)</u>
At 31 January 2016	<u>9,219</u>	<u>16,304</u>	<u>1,909</u>	<u>262,228</u>
<b>DEPRECIATION</b>				
At 1 February 2015	7,382	5,438	1,243	132,690
Charge for year	457	1,101	67	9,093
Eliminated on disposal	<u>-</u>	<u>(38)</u>	<u>-</u>	<u>(38)</u>
At 31 January 2016	<u>7,839</u>	<u>6,501</u>	<u>1,310</u>	<u>141,745</u>
<b>NET BOOK VALUE</b>				
At 31 January 2016	<u>1,379</u>	<u>9,804</u>	<u>599</u>	<u>120,483</u>
At 31 January 2015	<u>1,837</u>	<u>10,710</u>	<u>666</u>	<u>59,063</u>

Ayrshire Railway Preservation Group

Notes to the Financial Statements - continued  
for the Year Ended 31 January 2016

5. **STOCKS**

	31.1.16	31.1.15
	£	£
Stocks	<u>3,798</u>	<u>5,646</u>

No insurance is carried for this risk.

6. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.1.16	31.1.15
	£	£
Other debtors	1,504	4,485
VAT	222	-
Prepayments & accrued income	<u>1,917</u>	<u>1,881</u>
	<u>3,643</u>	<u>6,366</u>

7. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.1.16	31.1.15
	£	£
Trade creditors	326	-
Taxation and social security	-	1,628
Other creditors	<u>212</u>	<u>230</u>
	<u>538</u>	<u>1,858</u>

8. **SECURED DEBTS**

The trustees of the Cumnock and Doon Valley Minerals Trust hold a standard security over the subjects at Dalmellington Road, Waterside.

9. **ACCRUALS AND DEFERRED INCOME**

	31.1.16	31.1.15
	£	£
Deferred government grants	<u>56,396</u>	<u>36,305</u>

These grants have been used for the specific purchase of fixed assets and are released to income and expenditure at the same rate as the depreciation on the original asset. The grants may become repayable on the sale of the assets, where such sale takes place within a ten year period from the date of the award of the grant.

10. **RESERVES**

	Unrestricted Funds	Restricted Funds	31.1.16 Total £	31.1.15 Unrestricted Funds £
At 1 February 2015	85,341	14,075	99,416	79,279
Surplus for the year	686	2,200	2,886	20,137
Transfer between funds	<u>16,275</u>	<u>(16,275)</u>	<u>-</u>	<u>-</u>
At 31 January 2016	<u>102,302</u>	<u>-</u>	<u>102,302</u>	<u>99,416</u>

The restricted funds were donations held as cash at bank and then used for the purchase of the site.

**11. CONTINGENT LIABILITIES**

The company carries boiler and mechanical insurance for the working exhibits and equipment. No insurance is carried for fire, theft or destruction of fixed assets or stock. Any losses so incurred would be required to be written off to the income and expenditure account in the year in which they arose.

**12. MEMBERS' GUARANTEE**

Every Member of the Company has undertaken to contribute up to a maximum of £1 to the Company's assets if it should be wound up whilst he is a Member, or within one year after he ceases to be a Member, for the payment of the Company's debts and liabilities contracted for before he ceased to be a Member, and of the costs, charges and expenses of winding up, and of the adjustment of the rights of the contributories amongst themselves.

Chartered Certified Accountants' Report to the Board of Directors  
on the Unaudited Financial Statements of  
Ayrshire Railway Preservation Group

I report on the accounts of the Group for the year ended 31 January 2016 which are set out on pages 4 to 10.

**Respective Responsibilities of Trustees and Examiner**

The Group's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

The trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

**Basis of the Independent Examiner's Statement**


My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the Group and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the directors 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 audit opinion on the view given by the accounts.

**Independent Examiner's Statement**

In the course of 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 Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
  - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulationshave 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.

Anthony Frank Sheward  
Fellow of The Association of Chartered Certified Accountants (FCCA)  
6 Grange Way  
Willington  
Bedford  
MK44 3QW

Signed: .....  .....

Date: ..... 24. 7. 16 .....

Date: .....

Ayrshire Railway Preservation Group

Detailed Income and Expenditure Account  
for the Year Ended 31 January 2016

	31.1.16		31.1.15	
	£	£	£	£
<b>INCOMING RESOURCES</b>				
<b>Donations and legacies</b>				
Donations – Site purchase	2,200		14,075	
Donations	6,176		4,437	
Gift aid	1,118		3,843	
Government grants	4,909		4,417	
Subscriptions	<u>1,279</u>		<u>1,036</u>	
		15,682		27,808
<b>Charitable activities</b>				
Steam days	10,894		7,576	
Hire of rolling stock	<u>500</u>		<u>500</u>	
		11,394		8,076
<b>Trading activities</b>				
50:50 Club subscriptions	394		381	
Sales stand sales	<u>4,147</u>		<u>3,774</u>	
		4,541		4,155
Investment income		9		307
<b>Other income</b>				
Raffle	936		-	
Sale of scrap	5,583		-	
Gain on disposal of exhibits	<u>-</u>		<u>8,000</u>	
		6,519		8,000
<b>TOTAL INCOMING RESOURCES</b>		<u><u>38,145</u></u>		<u><u>48,346</u></u>
<b>EXPENDITURE</b>				
<b>Cost of Raising Funds</b>				
50:50 Club prizes	169		183	
Raffle costs	410		-	
Share of governance costs	539		883	
Opening stock - sales stand	5,646		6,345	
Sales stand purchases	1,355		1,883	
Sales stand - exhibition exps	<u>135</u>		<u>135</u>	
	8,254		9,429	
Closing stock - sales stand	<u>(3,798)</u>		<u>(5,646)</u>	
		4,456		3,783
<b>Charitable activities</b>				
Steam day expenses	3,695		3,481	
Insurance	3,823		3,247	
Hire of equipment	-		333	
Site materials	1,259		3,538	
Repairs and renewals	9,102		1,068	
Haulage	<u>-</u>		<u>90</u>	
Carried forward	17,879		11,757	

This page does not form part of the statutory financial statements

Ayrshire Railway Preservation Group

Detailed Income and Expenditure Account  
for the Year Ended 31 January 2016

	31.1.16		31.1.15	
	£	£	£	£
Brought forward	17,879		11,757	
Share of governance costs	3,727		5,702	
<b>Depreciation</b>				
Waterside Station	2,813		-	
Infrastructure costs	3,759		4,177	
Exhibits	896		917	
Plant & machinery	457		610	
Fittings	1,101		1,190	
Security compound	67		73	
<b>Loss on disposal of fixed assets</b>				
Fittings	104		-	
	<hr/>	30,803	<hr/>	24,426
<b>TOTAL EXPENDITURE</b>		<u><u>35,259</u></u>		<u><u>28,209</u></u>
 <b>Governance Costs</b>				
Post, Stationery & advertising	2,628		4,806	
Sundry expenses	198		248	
Membership costs	1,440		1,396	
Professional fees	-		135	
	<hr/>	<u><u>4,266</u></u>	<hr/>	<u><u>6,585</u></u>

This page does not form part of the statutory financial statements