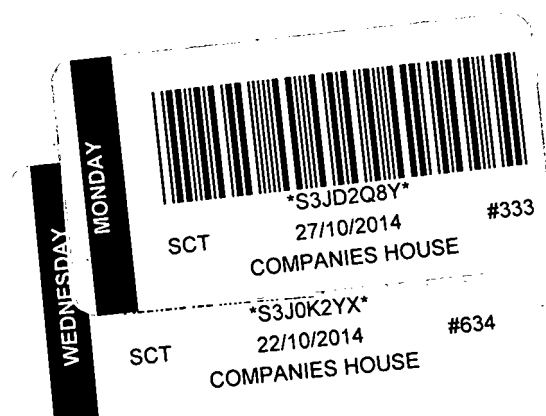


Report of the Trustees and  
Unaudited Financial Statements for the Year Ended 31 January 2014  
for  
Ayrshire Railway Preservation Group



Ayrshire Railway Preservation Group

Contents of the Financial Statements  
for the Year Ended 31 January 2014

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Ayrshire Railway Preservation Group

Company Information

for the Year Ended 31 January 2014

<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 W Graham A S Arnot N S Bruce I Gourlay J Bryden
<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 Kilmarnock Branch 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

## Ayrshire Railway Preservation Group

### Report of the Trustees for the Year Ended 31 January 2014

The trustees present their report with the financial statements of the company for the year ended 31 January 2014.

#### **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 2013 to the date of this report.

A G C Thomson  
A R Thom  
A W Graham  
A S Arnot  
N S Bruce

Other changes in trustees holding office are as follows:

M A Geddes - resigned 30 November 2013  
I Gourlay - appointed 10 April 2013  
J Bryden - appointed 13 March 2013

The Company is limited by guarantee and there is no issued share capital at 31 January 2014.

The trustees are elected to office by the members at the Group's annual general meetings. In accordance with the Articles of Association, A R Thom, A Arnot and N Bruce will retire at the forthcoming annual general meeting, and being eligible, will stand for re-election. The AGM will also be asked to ratify the appointment of co-opted trustee, C Loarridge. There is currently one unfilled vacancy 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 trustees have examined the major strategic, business and operational risks that the company faces and have confirmed that systems established enable regular reports to be produced so that the necessary steps are taken to lessen the risks. The work to develop a new Safety Management System is still ongoing. An induction system is in place for new volunteers. Responsibility for sales operations is taken by a trustee appointed from within the board.

#### **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.

The question of the Group's tenure of the site at Dunaskin has not yet been resolved. Relations with our landlord remain cordial, and he has made it plain on numerous occasions that our continuing presence on site is part of his long term vision for the site. However, no acceptable long term lease has so far been forthcoming. The board will continue to pursue this matter in the coming year.

### **OBJECTIVES AND ACTIVITIES - continued**

Storm damage to the locoshed roof had not been repaired as at 31 January 2013, largely because the only commercial estimate for repair that we were able to obtain was wildly beyond our means. The board, with the assistance of the site committee, accepted that a repair could be effected in-house, using at least in part materials which were in stock, namely corrugated roof sheeting and copings, provided that the work was carried out over a period of continuous working. This meant of course that those doing the work had to be paid the going rate for labour. It also meant that scaffolding and machinery had to be hired. When all was costed, the board budgeted £10,000 for the work, with an upper limit of £15,000 to allow for unforeseen problems. It is gratifying to report that the three men concerned finished the work on time and under budget; the eventual total spend being £8,959. The work took exactly two weeks. The shed is now drier than at any time in the past twenty years or so. Historic Scotland became aware that this work was going on, and indicated that permission ought to have been obtained before starting; however, permission would be granted retrospectively, provided the necessary paperwork was done. Some of this paperwork remains outstanding.

The effect of this work on the Group's funds, coupled with the expenditure on the café and shop in the previous year, means that fund raising will become an important matter for us in the future. To an extent, this ties in with the question of security of tenure on the site. The Board would like to appoint a member to have responsibility for fund raising as a separate, sole remit.

Action also needs to be taken to increase visitor numbers, possibly by means of extra running days or special events.

### **ACHIEVEMENTS AND PERFORMANCE**

Steam open days in 2013 brought in a total of 2058 visitors, which was 101 fewer than 2012. This reduction was at least partly due to the fact that there was an extra day in 2012, and that day (the Queen's jubilee weekend) was the busiest of the year. So our visitor numbers seem to be static in real terms. Profit for the season, on the other hand, nearly trebled over 2012, due entirely to the increase in fares introduced in 2013, which most of our visitors seem to think still represents good value for money. The shop and café have been doing very well, and particular thanks are due to those regular volunteers in the shop and café, for all their hard work. The café turned in a profit of over £1,000 last summer (not counting start-up expenses, of course). This is money we would not otherwise have had. Long may it continue!

The site committee met several times during the year and was responsible to the board for most of the detailed planning of work on site.

Work on restoring the fireless locomotive continues and summer 2014 is now a real prospect for completion. Work also continues on preparing the LMS saloon for passenger traffic. Restoration of one of our mineral waggons has begun. Maintenance of buildings (other than the locoshed) have continued throughout the year, as has work to make the premises more secure. Unfortunately vandalism continues to be a major problem.

Plans to relay the track outside the locoshed have had to be postponed due to the difficulty we have experienced in obtaining usable recovered sleepers at a reasonable price. However, this matter must be dealt with soon.

Work has gone on behind the scenes to develop a new safety management system, in line with ORR and HMRI current requirements. This should be completed in 2014. Director, Ian Gourlay has taken over responsibility for health and safety.

Away from Dunaskin, our other activities continue. The travelling sales stand continued to visit model rail exhibitions and other public events in Ayrshire during the year, but it is becoming apparent that most of these events do not generate a level of income sufficient to make the exercise worthwhile. This is probably due to the general economic climate.

Our winter meetings have again been held in the back room at Geordie's Byre in Ayr. This continues to be a popular venue, attendances have been good, and the quality of the meetings continues to a very high standard.

### **FINANCIAL REVIEW**

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

Ayrshire Railway Preservation Group

Report of the Trustees  
for the Year Ended 31 January 2014

**Dividends**

No dividends will be distributed for the year ended 31 January 2014. 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.

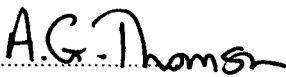
**PLANS FOR THE FUTURE**

The board intends to work towards increasing visitor numbers to the Scottish Industrial Railway Centre, by increasing the number of open days and by arranging special events and attractions. 2014 being the Group's fortieth anniversary year, a gala event midsummer is likely to be organised.

The board also intends to try to resolve, once and for all, the vexed question of security of tenure on the Dunaskin site.

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: 23/07/2014

Ayrshire Railway Preservation Group

Statement of Financial Activities  
for the Year Ended 31 January 2014

	31.1.14		31.1.13
	£	£	£
<b>INCOMING RESOURCES</b>			
<b>Voluntary Income</b>			
Donations and grants	5,946		5,459
Subscriptions and 50:50 Club	<u>1,517</u>		<u>1,272</u>
		7,463	6,731
<b>Activities for Generating Funds</b>			
Operating Activities	6,490		4,607
Sundry Sales	-		200
Hire of Rolling Stock	500		500
Sales Stand	<u>4,030</u>		<u>4,407</u>
		11,020	9,714
<b>Investment Income</b>		<u>441</u>	<u>568</u>
<b>TOTAL INCOMING RESOURCES</b>		<u>18,924</u>	<u>17,013</u>
<b>RESOURCES EXPENDED</b>			
<b>Cost of Generating Funds</b>			
Operating Activities	2,892		1,454
50:50 Club	<u>200</u>		<u>196</u>
		3,092	1,650
<b>Activities for Generating Funds</b>			
Operating Activities	13,579		15,758
Sales Stand	<u>2,851</u>		<u>3,201</u>
		16,430	18,959
<b>Governance Costs</b>		4,871	5,544
<b>Exceptional item</b>		<u>72</u>	<u>8,887</u>
<b>TOTAL RESOURCES EXPENDED</b>		<u>24,465</u>	<u>35,040</u>
Net movement on Funds before Other Recognised (Deficit)/Surplus		(5,541)	(18,027)
Other Recognised Surpluses		<u>-</u>	<u>-</u>
Net Movement on Funds		(5,541)	(18,027)
Total Funds Brought Forward		84,820	102,847
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>79,279</u>	<u>84,820</u>

There are no Restricted Funds held by the Group during the current and previous years.

The notes form part of these financial statements

Ayrshire Railway Preservation Group

Income and Expenditure Account  
for the Year Ended 31 January 2014

	Notes	31.1.14 £	31.1.13 £
<b>INCOME</b>		12,537	10,986
Expenditure		<u>5,943</u>	<u>4,851</u>
<b>GROSS SURPLUS</b>		6,594	6,135
Administrative expenses		<u>18,450</u>	<u>21,302</u>
		(11,856)	(15,167)
Other operating income		<u>5,946</u>	<u>5,459</u>
<b>OPERATING DEFICIT</b>	2	(5,910)	(9,708)
Exceptional item	10	<u>72</u>	<u>8,887</u>
<b>OPERATING DEFICIT</b>		(5,982)	(18,595)
Interest receivable and similar income		<u>441</u>	<u>568</u>
<b>DEFICIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(5,541)	(18,027)
Tax on deficit on ordinary activities	3	<u>-</u>	<u>-</u>
<b>DEFICIT FOR THE FINANCIAL YEAR</b>		<u>(5,541)</u>	<u>(18,027)</u>

The notes form part of these financial statements



**Balance Sheet**

**31 January 2014**

	Notes	31.1.14 £	31.1.13 £
<b>FIXED ASSETS</b>			
Tangible assets	4	65,144	68,801
<b>CURRENT ASSETS</b>			
Stocks	5	6,345	6,775
Debtors	6	4,517	3,842
Cash at bank and in hand		<u>45,616</u>	<u>57,343</u>
		56,478	67,960
<b>CREDITORS</b>			
Amounts falling due within one year	7	<u>1,621</u>	<u>8,561</u>
<b>NET CURRENT ASSETS</b>		<u>54,857</u>	<u>59,399</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		120,001	128,200
<b>ACCRUALS AND DEFERRED INCOME</b> 8		<u>40,722</u>	<u>43,380</u>
<b>NET ASSETS</b>		<u>79,279</u>	<u>84,820</u>
<b>RESERVES</b>			
<b>Unrestricted Funds</b>			
General	9	<u>79,279</u>	<u>84,820</u>
		<u>79,279</u>	<u>84,820</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 January 2014.


The members have not required the company to obtain an audit of its financial statements for the year ended 31 January 2014 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 special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the board of trustees on 23rd July 2014 and were signed on its behalf by:

  
A R Thom, Chairman of Directors and 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 Financial Reporting Standard for Smaller Entities (effective April 2008) and in accordance with the requirements of SORP 'Accounting and Reporting by Charities' 2005.

**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.

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 direct charitable costs and management and administrative costs. The costs are all readily definable and no apportionments are necessary.

2. **OPERATING DEFICIT**

The operating deficit is stated after charging:

	31.1.14	31.1.13
	£	£
Depreciation - owned assets	<u>7,781</u>	<u>7,845</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 2014 nor for the year ended 31 January 2013.

Notes to the Financial Statements - continued  
for the Year Ended 31 January 2014

### 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

	Infrastructure costs £	Exhibits £	Plant and machinery £
<b>COST</b>			
At 1 February 2013	138,499	25,978	6,871
Additions	-	-	2,348
At 31 January 2014	138,499	25,978	9,219
<b>DEPRECIATION</b>			
At 1 February 2013	92,087	15,786	5,958
Charge for year	4,641	1,019	814
At 31 January 2014	96,728	16,805	6,772
<b>NET BOOK VALUE</b>			
At 31 January 2014	41,771	9,173	2,447
At 31 January 2013	46,412	10,192	913
	<b>Fittings £</b>	<b>Security compound £</b>	<b>Totals £</b>
<b>COST</b>			
At 1 February 2013	13,486	1,909	186,743
Additions	1,776	-	4,124
At 31 January 2014	15,262	1,909	190,867
<b>DEPRECIATION</b>			
At 1 February 2013	3,024	1,087	117,942
Charge for year	1,224	83	7,781
At 31 January 2014	4,248	1,170	125,723
<b>NET BOOK VALUE</b>			
At 31 January 2014	11,014	739	65,144
At 31 January 2013	10,462	822	68,801

### 5. STOCKS

	31.1.14	31.1.13
	£	£
Stocks	6,345	6,775

No insurance is carried for this risk.

Notes to the Financial Statements - continued  
for the Year Ended 31 January 2014

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

	31.1.14	31.1.13
	£	£
Other debtors	3,009	1,617
VAT	33	757
Prepayments & accrued income	<u>1,475</u>	<u>1,468</u>
	<u>4,517</u>	<u>3,842</u>

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

	31.1.14	31.1.13
	£	£
Trade creditors	1,430	-
Other creditors	<u>191</u>	<u>8,561</u>
	<u>1,621</u>	<u>8,561</u>

8. **ACCRUALS AND DEFERRED INCOME**

	31.1.14	31.1.13
	£	£
Deferred government grants	<u>40,722</u>	<u>43,380</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.

9. **RESERVES**

	Income and expenditure account £
At 1 February 2013	84,820
Deficit for the year	<u>(5,541)</u>
At 31 January 2014	<u>79,279</u>

**10. 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.

The gales of January 2012 caused major damage to the roof of the loco shed, which was not covered by insurance. Liability for the cost of repairs was affected by the fact that the Groups' tenure of the site at Dunaskin is so far unresolved. It has so far proved impossible to sign a long term lease for the Group's occupation of the site. The extent of the damage was such that the Group would have needed grant aid to fund the cost of a complete restoration.

After a fruitless search for contract estimates and grant funding for the repair of the locomotive shed roof, and as no agreement was reached with the site owner regarding responsibility for this repair, the board decided to perform a temporary repair to allow the shed to continue in use. This work was carried out at the start of the financial year and has been funded from capital reserves. The total cost of completing this was £8,959 of which £8,887 was accrued in the accounts to 31 January 2013 and was done on a contract basis by members of the volunteer workforce (see note 11).

**11. RELATED PARTY DISCLOSURES**

In 2013 three members of the Group, with the requisite professional skills, were employed as self employed sub-contractors to enable the roof repair to the locomotive shed to be carried out in order for the shed to be made usable as early as possible. The total such cost amounted to £2,600. In the current year no such payments were required to be made to members.

**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 2014 which are set out on pages 5 to 11.

**Respective Responsibilities of Directors and Examiner**

The Group's directors 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 directors 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**

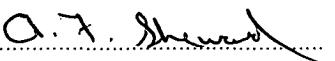
My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the Group and a comparison of the accounts presented with those records. It also includes consideration of any unusual 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: ..... 21.7.14 .....

Ayrshire Railway Preservation Group

Income and Expenditure Account  
for the Year Ended 31 January 2014

	31.1.14		31.1.13	
	£	£	£	£
<b>INCOMING RESOURCES</b>				
<b>Voluntary Income:</b>				
Donations	1,927		1,302	
Gift aid	(987)		(754)	
Government grants - released	5,006		4,911	
Subscriptions	1,098		864	
50:50 Club subscriptions	<u>419</u>		<u>408</u>	
		7,463		6,731
<b>Activities for Generating Funds:</b>				
Steam days	6,490		4,607	
Sundry Sales	-		200	
Hire of Rolling Stock	500		500	
Sales stand sales	<u>4,030</u>		<u>4,407</u>	
		11,020		9,714
<b>Investment Income</b>				
Bank interest (gross)	<u>441</u>		<u>568</u>	
		<u>441</u>		<u>568</u>
<b>TOTAL INCOMING RESOURCES</b>		<u>18,924</u>		<u>17,013</u>
<b>RESOURCES EXPENDED</b>				
<b>Cost of Generating Funds</b>				
Steam day expenses	2,892		1,454	
50:50 Club prizes	<u>200</u>		<u>196</u>	
		3,092		1,650
<b>Activities for Generating Funds</b>				
<b>Operating Activities</b>				
Insurance	2,990		3,091	
Site materials	2,808		2,731	
Repairs and renewals	-		2,091	
<b>Depreciation</b>				
Infrastructure costs	4,641		5,156	
Exhibits	1,019		1,133	
Plant & machinery	814		303	
Fittings	1,224		1,162	
Security compound	<u>83</u>		<u>91</u>	
Operating Activities	13,579		15,758	

This page does not form part of the statutory financial statements

Ayrshire Railway Preservation Group

Income and Expenditure Account  
for the Year Ended 31 January 2014

	31.1.14		31.1.13	
	£	£	£	£
Brought forward	13,579		15,758	
<b>Sales stand</b>				
Opening stock - sales stand	6,775		6,356	
Purchases	2,129		3,174	
Closing stock - sales stand	<u>(6,345)</u>		<u>(6,775)</u>	
Cost of Goods Sold	2,559		2,755	
Selling expenses	<u>292</u>		<u>446</u>	
Sales Stand	<u>2,851</u>		<u>3,201</u>	
		<u>16,430</u>		<u>18,959</u>
<b>Governance Costs</b>				
Travel & accommodation	19		-	
Post, stationery & advertising	2,958		3,528	
Sundry expenses	250		426	
Membership costs	1,594		1,590	
Legal fees	<u>50</u>		<u>-</u>	
		<u>4,871</u>		<u>5,544</u>
<b>Exceptional Item</b>				
Roof repair	<u>72</u>		<u>8,887</u>	
		<u>72</u>		<u>8,887</u>
<b>TOTAL RESOURCES EXPENDED</b>		<u>24,465</u>		<u>35,040</u>

This page does not form part of the statutory financial statements