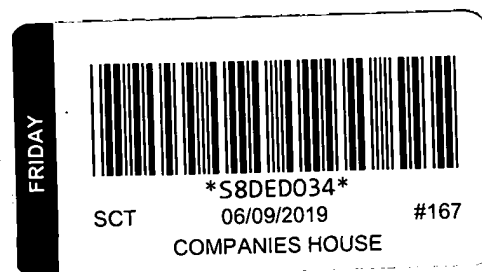


Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 January 2019
for
Ayrshire Railway Preservation Group



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for the Year Ended 31 January 2019

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Ayrshire Railway Preservation Group

Company Information

for the Year Ended 31 January 2019

CHARITY NAME: Ayrshire Railway Preservation Group

CHARITY ADDRESS: C/o 76 Dumbarton Road
Clydebank
Glasgow
G81 1UG

CHARITY NUMBER: SCO16127

TRUSTEES: A G C Thomson
A R Thom
C Loarridge
C Thom
I Steele
J Bone
G Steele
M S Robinson

SECRETARY: C Loarridge

REGISTERED OFFICE: C/o 76 Dumbarton Road
Clydebank
Glasgow
G81 1UG

REGISTERED NUMBER: SC121786 (Scotland)

BANKERS: The Royal Bank of Scotland plc
96 John Finnie Street
Kilmarnock
Ayrshire
KA1 1NY

SITE LOCATION: Dunaskin Heritage Centre
Waterside
Patna
Ayrshire
KA6 7JH

INDEPENDENT EXAMINER: 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 2019

The trustees present their report with the financial statements of the company for the year ended 31 January 2019.

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 2018 to the date of this report.

A G C Thomson
A R Thom
C Thom
I Steele
J Bone

Other changes in trustees holding office are as follows:

A S Arnot - resigned 21 November 2018
C Loarridge - appointed 14 March 2018
G McLachlan - resigned 23 June 2018
M Cullen - resigned 11 April 2018
G Steele - appointed 18 July 2018
M S Robinson - appointed 12 November 2018

The company is limited by guarantee and there is no issued share capital at 31 January 2019. The trustees are elected to office by the members at the Group's annual general meetings. In accordance with the Articles of Association, AGC Thomson, I Steele and J Bone are due to retire by rotation. Mr M Robinson was co-opted to the board in November 2018 and his appointment requires ratification at the AGM. There is currently one unfilled vacancy.

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.

In order to improve the management of the Group, a new revision of the Standing Orders has been adopted and several new procedures put in place to strengthen the management process. In particular two new sub-committees, a Visitor Operations and an Exhibition Committee, have been created to work in conjunction with the Site Committee. These three committees are chaired by a board member and report directly to the board.

RISK MANAGEMENT

The major strategic, business and operational risks that the company faces, have been examined by the trustees and they are satisfied that the reporting systems are in place to ensure the company meets all its obligations.

In particular, with regard to our Safety Management Systems, a new safety officer has been appointed, who is a professional railway engineer, with in-depth operational and safety management experience of railway operations. In addition, an initial independent review of our SMS documentation together with a site visit, has been conducted by an independent inspector and no major issues were reported.

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.

ACHIEVEMENTS AND PERFORMANCE

Restoration Work

West Fife number 23 (Barclay 0-4-0 ST) has been dismantled, with all the boiler tubes being removed and the cab, tank, chimney, etc taken off for the boiler inspection. An initial boiler inspection has been carried out and a report from the boiler inspector has recently been received indicating the necessary boiler repairs required to bring this locomotive back into steam.

BP Diesel (Andrew Barclay no 399) is also still undergoing restoration work and is awaiting a new radiator and a full repaint.

The engineer's saloon is now fully operational and has been approved for passenger use with both the steam and diesel locomotives.

Track Improvements

The line from the shed yard throat to the catch points has been lifted and a new left-hand turnout installed. This will allow additional sidings to be laid and it is hoped that it will eventually become the access to a new shed. The catch points have been replaced with a de-railer to secure the shed yard during passenger running on open days.

Work was also carried out on the coal line from the crossover to the Laight Farm road and this line has now been brought into use as our running line on open days. This allows a round trip of two miles and is a significant improvement for our visitors.

Buildings

We are most grateful for a grant of £1,000 which was received from Cumnock & Doon Valley Minerals Trust and this money was used for two purposes as outlined in the application for the funds. A new energy efficient lighting system was installed in the museum for £600 and the construction materials to the value of £400 were purchased to build a new larger bothy, currently being completed in one of our buildings adjacent to the shop and café.

A grant of £3,900 was received in April 2019 from Developing Dalmellington Parish, to whom we are most grateful, and this allowed us to repave the area in front of our shop, museum and toilets and renew the disabled access ramps.

Open Days

While we had another successful season in 2018, the number of visitors to the steam open days in 2018 was 2660 (2017 – 3165), a reduction from the previous year despite being open for 16 days. The resurfacing of the A713, resulted in road closures and diversion for several weekends that we were open, and this together with some exceptional weather where the beach was probably the preferred option, had an adverse impact on our visitor numbers.

Events

On 11th November 2018, we made special arrangements to run a locomotive up to Minnivey and to sound the whistle as part of the Dalmellington Centenary Commemoration Event of the 1918 Armistice. We wish to thank Councillor Drew Filson for his help with this event and in particular getting the Laight Farm crossing rebuilt so we could use the line. Thanks are also due to Scottish Power who lifted a power cable to the correct height to allow our locomotive to pass safely under the power lines, and to Hargreaves SML for permission to run on their line from the Laight to Minnivey.

External Support

The Group also wish to acknowledge the financial support from East Ayrshire Council who have granted us 100% exemption on our business rates for both our owned and rented properties on the Dunaskin site.

DIVIDENDS

No dividends will be distributed for the year ended 31 January 2019.

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.

DIVIDENDS (continued)

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.

FINANCIAL REVIEW

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

While income rose substantially by £7,515 year on year, the major increase was in donations with both Charitable Activities and Trading Activities showing a decline due to the reduction in visitors. Other income showed an increase due to the sale of items surplus to our requirements.

Our major items of expenditure are fuel, insurance, electricity and materials for repair and restoration work. However, the level of expenditure showed a £5,687 reduction year on year, and there were no legal fees incurred in 2018.

The effects of these changes resulted in a substantial swing from a loss of £4,489 in 2017 to a profit of £8,713 in 2018.

The net assets of the group rose from £88,838 to £97,551. The cash balance on hand at the end of the year stood at £31,881, up from £23,111 at the end of 2017, and the group remains in a healthy financial position.

FUTURE DEVELOPMENTS


We have reviewed our business plan and have established the following major priorities for the group in the near future.

1. Bring an additional locomotive, number 23 back into steam
2. Build a new shed for the storage of our restored vehicles, on our land beside the loco shed
3. Upgrade the toilets

We continue to depend on our loyal core of volunteers and it is encouraging that new faces are continuing to appear. Progress on the training of footplate crew is being made, and the board continues to work to try to increase the number of volunteers both on open and on work days.

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

ON BEHALF OF THE BOARD:



C Loarridge - Secretary

14 August 2019

Ayrshire Railway Preservation Group

Statement of Financial Activities
31 January 2019

	31.1.19 Total £	31.1.18 Total £
INCOME		
Donations and legacies	19,464	9,690
Charitable activities	12,286	13,091
Trading activities	3,290	5,654
Investment income	7	2
Other income	2,337	1,432
	<hr/>	<hr/>
TOTAL INCOME	37,384	29,869
EXPENDITURE		
Raising funds	2,442	4,485
Charitable activities	26,229	29,873
	<hr/>	<hr/>
TOTAL EXPENDITURE	28,671	34,358
Net (expenditure)/income and net movement In funds for the year	8,713	(4,489)
Reconciliation of Funds		
Total Funds Brought Forward	88,838	93,327
	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD	97,551	88,838

The notes form part of these financial statements

Ayrshire Railway Preservation Group

Income Statement
for the Year Ended 31 January 2019

	Notes	31.1.19 £	31.1.18 £
INCOME		19,211	20,860
Expenditure		<u>5,385</u>	<u>7,948</u>
GROSS SURPLUS		13,826	12,912
Administrative expenses		<u>23,392</u>	<u>26,410</u>
		(9,566)	(13,498)
Other operating income		<u>18,272</u>	<u>9,007</u>
OPERATING SURPLUS/(DEFICIT)	3	8,706	(4,491)
Interest receivable and similar income		<u>7</u>	<u>2</u>
SURPLUS/(DEFICIT) BEFORE TAXATION		8,713	(4,489)
Tax on surplus/(deficit)	4	<u>-</u>	<u>-</u>
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR		<u>8,713</u>	<u>(4,489)</u>

The notes form part of these financial statements

Ayrshire Railway Preservation Group (Registered number: SC121786)

Balance Sheet

31 January 2019

	Notes	31.1.19 £	31.1.18 £
FIXED ASSETS			
Tangible assets	5	104,749	109,035
CURRENT ASSETS			
Stocks	6	1,710	1,432
Debtors	7	3,911	3,891
Cash at bank and in hand		<u>31,881</u>	<u>23,111</u>
		37,502	28,434
CREDITORS			
Amounts falling due within one year	8	<u>604</u>	<u>787</u>
NET CURRENT ASSETS		<u>36,898</u>	<u>27,647</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		141,647	136,682
ACCRUALS AND DEFERRED INCOME 10		<u>44,096</u>	<u>47,844</u>
NET ASSETS		<u>97,551</u>	<u>88,838</u>
RESERVES			
Income and expenditure account	11	<u>97,551</u>	<u>88,838</u>
		<u>97,551</u>	<u>88,838</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 January 2019.

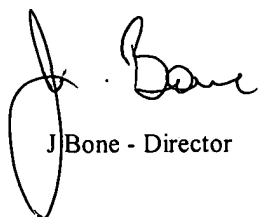
The members have not required the company to obtain an audit of its financial statements for the year ended 31 January 2019 in accordance with Section 476 of the Companies Act 2006.

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.

The financial statements were approved by the Board of Trustees on 14 August 2019 and were signed on its behalf by:


J Bone - Director

The notes form part of these financial statements

1. STATUTORY INFORMATION

Ayrshire Railway Preservation Group is a private company, limited by guarantee, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities", the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the above standard FRS 102. The financial statements have been prepared under the historical cost convention.

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% on cost
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.

3. OPERATING SURPLUS/(DEFICIT)

The operating surplus (2018 - operating deficit) is stated after charging:

	31.1.19	31.1.18
	£	£
Depreciation - owned assets	8,294	8,464
Loss on disposal of fixed assets	<u>-</u>	<u>36</u>

Notes to the Financial Statements - continued
for the Year Ended 31 January 2019

4. **TAXATION**

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 January 2019 nor for the year ended 31 January 2018.

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.

5. **TANGIBLE FIXED ASSETS**

	Land and buildings £	Infrastructure costs £	Exhibits £
COST			
At 1 February 2018	70,319	142,545	25,978
Additions	-	3,368	-
At 31 January 2019	70,319	145,913	25,978
DEPRECIATION			
At 1 February 2018	8,439	111,747	20,011
Charge for year	2,813	3,416	597
At 31 January 2019	11,252	115,163	20,608
NET BOOK VALUE			
At 31 January 2019	59,067	30,750	5,370
At 31 January 2018	61,880	30,798	5,967

	Plant and machinery £	Fittings £	Security compound £	Totals £
COST				
At 1 February 2018	10,320	16,427	1,909	267,498
Additions	640	-	-	4,008
At 31 January 2019	10,960	16,427	1,909	271,506
DEPRECIATION				
At 1 February 2018	8,511	8,331	1,424	158,463
Charge for year	610	810	48	8,294
At 31 January 2019	9,121	9,141	1,472	166,757
NET BOOK VALUE				
At 31 January 2019	1,839	7,286	437	104,749
At 31 January 2018	1,809	8,096	485	109,035

Ayrshire Railway Preservation Group

Notes to the Financial Statements - continued
for the Year Ended 31 January 2019

6. **STOCKS**

	31.1.19	31.1.18
	£	£
Stocks	<u>1,710</u>	<u>1,432</u>

No insurance is carried for this risk.

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

	31.1.19	31.1.18
	£	£
Other debtors	1,013	772
VAT	805	1,026
Prepayments & accrued income	<u>2,093</u>	<u>2,093</u>
	<u>3,911</u>	<u>3,891</u>

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

	31.1.19	31.1.18
	£	£
Trade creditors	48	162
Other creditors	<u>556</u>	<u>626</u>
	<u>604</u>	<u>788</u>

9. **SECURED DEBTS**

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

10. **ACCRUALS AND DEFERRED INCOME**

	31.1.19	31.1.18
	£	£
Deferred government grants	<u>44,096</u>	<u>47,844</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.

11. **RESERVES**

	31.1.19	31.1.18
	Total	Total
	£	£
At 1 February 2018	88,838	93,327
Surplus/(Deficit) for the year	<u>8,713</u>	<u>(4,489)</u>
	<u>97,551</u>	<u>88,838</u>

Throughout the current year, and previous years all funds were unrestricted.

12. 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.

13. 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 Trustees
on the Unaudited Financial Statements of
Ayrshire Railway Preservation Group

I report on the accounts of the Group for the year ended 31 January 2019 which are set out on pages 5 to 11.

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 trustees 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: 

14 August 2019

Ayrshire Railway Preservation Group

Detailed Income and Expenditure Account
for the Year Ended 31 January 2019

	31.1.19		31.1.18	
	£	£	£	£
Donations and legacies				
Donations	11,833		4,158	
Gift aid	1,515		-	
Government grants	4,748		4,216	
Subscriptions	<u>1,368</u>		<u>1,316</u>	
		19,464		9,690
Charitable activities				
Steam days	<u>12,286</u>		<u>13,091</u>	
		12,286		13,091
Trading activities				
50:50 Club subscriptions	355		395	
Sales stand sales	<u>2,935</u>		<u>5,259</u>	
		3,290		5,654
Investment income		7		2
Other income				
Raffles	-		799	
Sundry sales	2,267		-	
Sale of scrap	-		343	
Water rates compensation	<u>70</u>		<u>290</u>	
		<u>2,337</u>		<u>1,432</u>
TOTAL INCOME		<u><u>37,384</u></u>		<u><u>29,869</u></u>
EXPENDITURE				
Cost of raising funds				
50:50 Club prizes	175		153	
Raffle costs	20		465	
Share of governance costs	357		399	
Opening stock - sales stand	1,432		2,376	
Sales stand purchases	1,728		2,055	
Sales stand - exhibition exps	<u>440</u>		<u>469</u>	
	4,152		5,917	
Closing stock - sales stand	<u>(1,710)</u>		<u>(1,432)</u>	
		<u>2,442</u>		<u>4,485</u>
Charitable activities				
Steam day expenses	3,300		3,862	
Insurance	4,004		4,013	
Light and heat	1,316		1,590	
Hire of equipment	915		540	
Site materials	3,122		2,449	
Repairs and renewals	<u>1,439</u>		<u>1,881</u>	
	14,096		14,335	

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 2019

	31.1.19		31.1.18	
	£	£	£	£
Brought forward	14,096		14,335	
Haulage	-		998	
Professional fees	-		334	
Legal fees	-		3,050	
Share of governance costs	3,839		2,655	
Depreciation				
Land and buildings	2,813		2,813	
Infrastructure costs	3,416		3,421	
Exhibits	597		663	
Plant & machinery	609		614	
Fittings	810		900	
Security compound	49		54	
Loss on disposal of fixed assets				
Plant & machinery	-		36	
		<u>26,229</u>		<u>29,873</u>
TOTAL EXPENDITURE		<u><u>28,671</u></u>		<u><u>34,358</u></u>
Governance costs				
Post, stationery & advertising	2,982		1,594	
Sundry expenses	329		280	
Membership costs	<u>885</u>		<u>1,180</u>	
		<u><u>4,196</u></u>		<u><u>3,054</u></u>