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Report of the Directors and
Financial Statements for the Year Ended 31 January 2000
for
Ayrshire Railway Preservation Group

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Contents of the Financial Statements
for the Year Ended 31 January 2000

	Page
Company Information	1
Report of the Directors	2
Income and Expenditure Account	4
Balance Sheet	5
Notes to the Financial Statements	7
Income and Expenditure Account	12

Ayrshire Railway Preservation Group

Company Information
for the Year Ended 31 January 2000

DIRECTORS:	J Davidson C Robinson A G C Thomson A R Thom A G L Barclay D Orr F D Beattie H McCormick A Graham
SECRETARY:	A G C Thomson
REGISTERED OFFICE:	38 Ashgrove Street Ayr KA7 3BG
REGISTERED NUMBER:	SC121786 (Scotland)
BANKERS:	The Royal Bank of Scotland plc 96 John Finnie Street Kilmarnock Ayrshire KA1 1NY
SOLICITORS:	A C White 23 Wellington Square Ayr KA7 1HG

Report of the Directors
for the Year Ended 31 January 2000

The directors present their report with the financial statements of the company for the year ended 31 January 2000.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the preservation and restoration of industrial railway heritage.

REVIEW OF BUSINESS

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

These 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 charity number is SC016127.

The year has seen further progress in the Group's principal aim of establishing an industrial railway museum at Minnivey. A sum of around £5,000, which includes acquisitions, site maintenance and development, was spent on the site in the financial year under review. The only real constraint on development work is the perennial shortage of volunteers. During the 1999 season of steam days, the first section of relaid track was brought into use. It is expected that the whole of the section to the farm crossing will be in use in the 2000 season.

As detailed below, the Board of Directors has had a more stable membership than last year. Charles Robinson and Andrew Graham joined the Board at last year's AGM, filling the two vacant directorships which existed at that time; otherwise membership was unchanged. The full Board meets once a month to ensure the efficient running of the Group, and various sub-committees have been established which report to the Board. The Director of Dalmellington and District Conservation Trust and representatives from East Ayrshire Council and Enterprise Ayrshire have a standing invitation to attend Board meetings.

The establishment of the passenger service between Minnivey and Dunaskin has again made little progress during the year, in spite of the best efforts of the Board to find a way through the mass of red tape which besets the project. The current situation is that infrastructure requirements may turn out to be less complex than was once thought. However, the various bodies concerned are very slow to reply to correspondence.

On the other hand, the improvements begun last year at the Scottish Industrial Railway Centre have continued to progress. Work on the expanded and refurbished museum and shop space is more or less complete. The running line for brakevan rides was partially extended for the 1999 season, and should be complete by the 2000 season. Unfortunately however, no time has been found to commission the new buffet and toilet facilities. The passenger brakevan was in very poor condition in the 1999 season, and a major overhaul is planned for completion before the start of next season.

Visitor numbers continued to increase in the 1999 season, with an average attendance of 228 per open day, and a total for the season of 2,971 - frustratingly close to our target of 3,000! Our current advertising policy will be continued in 2000, when we hope to exceed the 3,000 visitor target at last. A steady pattern of increased attendances over three years or more will be very good for the Group's standing with funding bodies, etc.

The Board continues to work in close co-operation with the Dalmellington and District Conservation Trust. Our Chairman and Treasurer represent the Group on the Board of that body. The Group's archives were transferred to the room at Dunaskin during the year under review, and shelving and blinds were purchased in order to provide suitable storage conditions. Archie Thom became Vice-Chairman of the Trust in May 1999. Just after the end of the year under review, a new Museum Director was appointed at Dunaskin, and the Board expects benefits to accrue to both bodies as a result.

The joint ticketing scheme, introduced on a trial basis in 1999, proved very successful, and will be continued in the 2000 season.

The Board acknowledge with gratitude the assistance of the Trust over the last twelve months.

Ayrshire Railway Preservation Group

Report of the Directors
for the Year Ended 31 January 2000

DIVIDENDS

No dividends will be distributed for the year ended 31 January 2000.

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.

DIRECTORS

The directors during the year under review were:

J Davidson	
C Robinson	- appointed 4.9.99
A G C Thomson	
A R Thom	
A G L Barclay	
D Orr	
F D Beattie	
H McCormick	
A Graham	- appointed 4.9.99

The Company is limited by guarantee and there is no issued share capital at 31 January 2000.

The directors are elected to office by the members at the Group's annual general meetings.

In accordance with the Articles of Association, C Robinson, A G L Barclay and H McCormick will retire at the forthcoming Annual General Meeting, and being eligible, will stand for re-election.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



A G C Thomson - SECRETARY

Dated: 9 August 2000

Ayrshire Railway Preservation Group

Income and Expenditure Account
for the Year Ended 31 January 2000

		<u>31.1.00</u>	<u>31.1.99</u>
	Notes	£	£
INCOME		21,598	18,042
Expenditure		<u>15,305</u>	<u>12,851</u>
GROSS SURPLUS		6,293	5,191
Administrative expenses		<u>17,189</u>	<u>20,868</u>
		(10,896)	(15,677)
Other operating income		<u>7,036</u>	<u>6,814</u>
OPERATING DEFICIT	2	(3,860)	(8,863)
Interest receivable and similar income		<u>1,068</u>	<u>2,035</u>
DEFICIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,792)	(6,828)
Tax on deficit on ordinary activities	3	<u>-</u>	<u>-</u>
DEFICIT FOR THE FINANCIAL YEAR AFTER TAXATION		(2,792)	(6,828)
Retained surplus brought forward		<u>50,277</u>	<u>57,105</u>
RETAINED SURPLUS CARRIED FORWARD		<u><u>£47,485</u></u>	<u><u>£50,277</u></u>

The notes form part of these financial statements

Ayrshire Railway Preservation Group

Balance Sheet
31 January 2000

		<u>31.1.00</u>		<u>31.1.99</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	4		78,571		84,009
CURRENT ASSETS:					
Stocks	5	15,857		14,704	
Debtors	6	2,424		2,705	
Cash at bank and in hand		<u>25,228</u>		<u>29,199</u>	
		43,509		46,608	
CREDITORS: Amounts falling due within one year	7	<u>13,838</u>		<u>13,702</u>	
NET CURRENT ASSETS:			<u>29,671</u>		<u>32,906</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			108,242		116,915
CREDITORS: Amounts falling due after more than one year	8		(10,000)		(10,000)
ACCRUALS AND DEFERRED INCOME:	9		<u>(50,757)</u>		<u>(56,638)</u>
			<u>£47,485</u>		<u>£50,277</u>
RESERVES:					
Accumulated Funds			<u>47,485</u>		<u>50,277</u>
			<u>£47,485</u>		<u>£50,277</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ending 31 January 2000.

No notice has been deposited under Section 249B(2) of the Companies Act 1985 in relation to its financial statements for the financial year.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 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 Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

Ayrshire Railway Preservation Group

Balance Sheet

31 January 2000

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'A. R. Thom', with a horizontal line extending from the end of the signature.

A R Thom - DIRECTOR

Approved by the Board on 9 August 2000

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 January 2000

1. **ACCOUNTING POLICIES**

Accounting convention

The financial statements have been prepared under the historical cost convention, in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) and in accordance with the provisions of SORP 2.

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.

Waterside Station	- 4% on reducing balance
Engine sheds	- 4% on reducing balance
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

Stock is 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.

Notes to the Financial Statements
for the Year Ended 31 January 2000

2. **OPERATING DEFICIT**

The operating deficit is stated after charging:

	31.1.00	31.1.99
	£	£
Depreciation - owned assets	8,920	9,678
Auditors' remuneration	<u>(21)</u>	<u>564</u>
Directors' emoluments and other benefits etc	<u>-</u>	<u>-</u>

3. **TAXATION**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 January 2000 nor for the year ended 31 January 1999.

The Company is recognised as a charity by the Inland Revenue and therefore no Corporation Tax liability has been provided.

4. **TANGIBLE FIXED ASSETS**

	Waterside Station	Engine sheds	Infrastr- ucture costs	Exhibits
	£	£	£	£
COST:				
At 1 February 1999	3,500	3,573	64,160	46,252
Additions	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>-</u>
At 31 January 2000	<u>3,500</u>	<u>3,573</u>	<u>66,660</u>	<u>46,252</u>
DEPRECIATION:				
At 1 February 1999	1,157	1,681	22,272	16,465
Charge for year	<u>94</u>	<u>76</u>	<u>4,439</u>	<u>2,979</u>
At 31 January 2000	<u>1,251</u>	<u>1,757</u>	<u>26,711</u>	<u>19,444</u>
NET BOOK VALUE:				
At 31 January 2000	<u>2,249</u>	<u>1,816</u>	<u>39,949</u>	<u>26,808</u>
At 31 January 1999	<u>2,343</u>	<u>1,892</u>	<u>41,888</u>	<u>29,787</u>

Notes to the Financial Statements
for the Year Ended 31 January 2000

4. TANGIBLE FIXED ASSETS - continued

	Plant and machinery	Fittings	Security compound	Totals
	£	£	£	£
COST:				
At 1 February 1999	8,103	583	7,598	133,769
Additions	-	982	-	3,482
At 31 January 2000	8,103	1,565	7,598	137,251
DEPRECIATION:				
At 1 February 1999	5,269	152	2,764	49,760
Charge for year	708	141	483	8,920
At 31 January 2000	5,977	293	3,247	58,680
NET BOOK VALUE:				
At 31 January 2000	2,126	1,272	4,351	78,571
At 31 January 1999	2,834	431	4,834	84,009

5. STOCKS

	31.1.00	31.1.99
	£	£
Stock	15,857	14,704

6. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR

	31.1.00	31.1.99
	£	£
V.A.T.	20	207
Trade debtors	205	340
Prepayments & accrued income	2,199	2,158
	2,424	2,705

7. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR

	31.1.00	31.1.99
	£	£
Trade creditors	1,371	245
Contribution for Refurbishment	10,000	10,000
Accruals & prepaid income	2,467	3,457
	13,838	13,702

Notes to the Financial Statements
for the Year Ended 31 January 2000

8. **CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	31.1.00	31.1.99
	£	£
Loan from Members	<u>10,000</u>	<u>10,000</u>

Amounts falling due in more than five years:

Repayable otherwise than by instalments		
Loan from Members	<u>10,000</u>	<u>10,000</u>

9. **ACCRUALS AND DEFERRED INCOME**

	31.1.00	31.1.99
	£	£
Deferred government grants		
Brought forward	56,638	63,246
Released in year	<u>(5,881)</u>	<u>(6,608)</u>
	<u>50,757</u>	<u>56,638</u>

10. **STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted Funds	Restricted Funds	31.1.00 Total	31.1.99 Total
	£	£	£	£
INCOMING RESOURCES:				
Trading Income	19,852	-	19,852	16,893
Donations	1,155	-	1,155	91
Grants Receivable	-	56,638	56,638	63,246
Less: Deferred Income	-	(50,757)	(50,757)	(56,638)
Investment Income	1,068	-	1,068	2,035
Other Income	<u>1,746</u>	<u>-</u>	<u>1,746</u>	<u>1,264</u>
	<u>23,821</u>	<u>5,881</u>	<u>29,702</u>	<u>26,891</u>
RESOURCES EXPENDED:				
Trading & Site Operating Expenses	29,564	-	29,564	30,122
Management & Administrative Expenses	<u>2,930</u>	<u>-</u>	<u>2,930</u>	<u>3,597</u>
	<u>32,494</u>	<u>-</u>	<u>32,494</u>	<u>33,719</u>
Transfers between Funds	5,881	(5,881)	-	-
Net Movement in Funds	(2,792)	-	(2,792)	(6,828)
Total Funds Brought Forward	50,277	-	50,277	57,105
TOTAL FUNDS CARRIED FORWARD	<u>47,485</u>	<u>-</u>	<u>47,485</u>	<u>50,277</u>

The restricted funds relate to grants received in the year with the amounts that have not been released in the year being netted off as deferred income. The grants have all been used towards the costs of the passenger service and in the main these have been for the purchase or creation of fixed assets.

11. CONTINGENT LIABILITIES

In the event of the future disposal of the Barclay 0-6-0 locomotive, Harlaxton, for which the Group received a grant of £15,000, part of the grant may be required to be repaid. The Loan from Members was also towards the cost of acquiring Harlaxton and is repayable immediately on disposal of the locomotive. There is no intention of disposing of the asset in the foreseeable future and no provision is therefore necessary in the accounts.

12. OTHER FINANCIAL COMMITMENTS

The Company's commitment to establishing the passenger link has resulted in substantial track work costs over the past five years which was largely covered by grant assistance from Cumnock & Doon Valley District Council. As most of the costs were capitalised, the grant is being released to the income and expenditure account in line with the depreciation on the various assets, adjusting where necessary for incidental expenses which have been allocated directly to the income and expenditure account. The total amount released to date is £66,827 including the current year release of £4,787.

During the year ended 31 January 1997 the Company purchased a Barclay 0-6-0 locomotive for use on the passenger service and received a grant of £15,000 towards the cost. This is also being released to the income and expenditure account in line with depreciation. The total amount released to date is £5,159 including the current year release of £1,094.

The Company is required to install signalling equipment before the commencement of the passenger service. Most of the necessary items have now been acquired or donated, with the remaining items to be provided by the Group. The cost of purchasing and installing the equipment has not yet been established but is currently estimated to be in the region of £30,000. No contract has been entered into at present and it is hoped that the costs will be covered in full from further financial assistance.

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.

Ayrshire Railway Preservation Group

Income and Expenditure Account
for the Year Ended 31 January 2000

	31.1.00		31.1.99	
	£	£	£	£
Income:				
Steam days	4,088		2,497	
Subscriptions	680		769	
50:50 Club subscriptions	383		371	
Sales stand sales	15,764		14,396	
Raffles	582		-	
Sundry sales	-		9	
Auction proceeds	<u>101</u>		<u>-</u>	
		21,598		18,042
Expenditure:				
Opening stock - Duke magazine	428		209	
Opening stock - sales stand	14,276		12,795	
Steam day expenses	802		612	
50:50 Club prizes	191		174	
Sales stand purchases	13,373		11,985	
Sales stand - exhibition exps	1,642		1,760	
Carriage in	29		20	
Raffle costs	<u>421</u>		<u>-</u>	
	31,162		27,555	
Closing stock - Duke magazine	(201)		(428)	
Closing stock - sales stand	<u>(15,656)</u>		<u>(14,276)</u>	
		15,305		12,851
GROSS SURPLUS		6,293		5,191
Other income:				
Donations	1,155		91	
Deeds of covenant	-		115	
Grant release	5,881		6,608	
Building society interest	703		1,951	
Bank interest (gross)	<u>365</u>		<u>84</u>	
		8,104		8,849
		14,397		14,040
Other Expenditure:				
Hire of equipment	248		2,339	
Repairs & renewals	1,092		546	
Haulage	390		602	
Post, stationery & advertising	2,003		1,860	
Sundry expenses	311		999	
Auditors remuneration	(21)		564	
Professional fees	190		171	
Rent	661		675	
Rates & water	192		154	
Insurance	3,077		3,179	
Light & heat	<u>101</u>		<u>101</u>	
Carried forward	8,244	14,397	11,190	14,040

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 2000

	<u>31.1.00</u>		<u>31.1.99</u>	
	£	£	£	£
Brought forward	<u>8,244</u>	14,397	<u>11,190</u>	14,040
		<u>8,244</u>		<u>11,190</u>
		6,153		2,850
Finance costs:				
Bank charges		<u>25</u>		<u>-</u>
		6,128		2,850
Depreciation:				
Waterside Station	94		98	
Engine sheds	76		79	
Infrastructure costs	4,439		4,653	
Exhibits	2,979		3,312	
Plant & machinery	708		949	
Fittings	141		49	
Security compound	<u>483</u>		<u>538</u>	
		<u>8,920</u>		<u>9,678</u>
NET DEFICIT		<u><u>£(2,792)</u></u>		<u><u>£(6,828)</u></u>

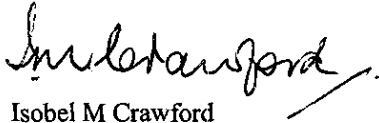
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Ayrshire Railway Preservation Group

Report of the Independent Examiner Director of
Ayrshire Railway Preservation Group

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31 January 2000 set out on pages four to eleven and you consider that the company is exempt from an audit in accordance with section 249A of the Companies Act 1985.

In order to assist you to fulfil your statutory responsibilities and in accordance with your instructions, I have examined these unaudited financial statements as compiled by you. I would confirm that they are consistent with the accounting records and information and explanations supplied to me.


Isobel M Crawford

2nd. September, 2000.
Dated: