

**THE SCOTTISH RAILWAY  
PRESERVATION SOCIETY**  
(A company limited by guarantee)

**Report and Financial Statements**

**Year ended 31 December 2020**

**Charity No : SC002375  
Company No : SC055533**

## CONTENTS (Continued)

### Table of Contents

TRUSTEES' REPORT .....	1
<b>Trustees' Summary</b> .....	<b>1</b>
<b>Objectives and Activities</b> .....	<b>1</b>
<b>Achievements and Performance</b> .....	<b>2</b>
<b>Financial Review</b> .....	<b>5</b>
<b>Reserves policy and going concern</b> .....	<b>6</b>
<b>Plans for Future Periods</b> .....	<b>6</b>
<b>Responsibilities of the Directors</b> .....	<b>8</b>
<b>Structure, Governance and Management</b> .....	<b>8</b>
<b>Reference and Administrative Details</b> .....	<b>10</b>
Status.....	10
<b>Company Secretary</b> .....	<b>10</b>
<b>Registered Company Number</b> .....	<b>10</b>
<b>Registered Office</b> .....	<b>10</b>
<b>Operational Address</b> .....	<b>11</b>
<b>Senior Statutory Auditor</b> .....	<b>11</b>
<b>Auditors</b> .....	<b>11</b>
<b>Bankers</b> .....	<b>11</b>
<b>Solicitors</b> .....	<b>11</b>
<b>Statement as to Disclosure of Information to Auditors</b> .....	<b>11</b>
<b>Members of the Society</b> .....	<b>11</b>
<b>Risk Management</b> .....	<b>12</b>
<b>Auditors</b> .....	<b>14</b>
AUDITOR'S REPORT .....	15
<b>Opinion</b> .....	<b>15</b>
<b>Basis for opinion</b> .....	<b>15</b>
<b>Conclusions relating to going concern</b> .....	<b>15</b>
<b>Other information</b> .....	<b>16</b>
<b>Responsibilities of directors</b> .....	<b>16</b>
<b>Auditor's responsibilities for the audit of the financial statements</b> .....	<b>17</b>
STATEMENT OF FINANCIAL ACTIVITIES.....	19
BALANCE SHEET .....	20
STATEMENT OF CASH FLOWS for the year ending 31 December 2020 .....	21
NOTES FORMING PART OF THE FINANCIAL STATEMENTS .....	22

## CONTENTS (Continued)

1.	Accounting policies .....	22
2.	Donations and legacies .....	24
3.	Income from Charitable Activities .....	24
4.	Other Trading Activities.....	24
5.	Fundraising Costs .....	25
6.	Fundraising Support Costs .....	26
7.	Charitable Costs.....	27
8.	Charitable Support Costs .....	28
9.	Net (Expenditure)/Income for the Year .....	29
10.	Staff Costs and Numbers.....	29
11.	Government Grants.....	30
12.	Taxation.....	30
13.	Tangible Fixed Assets.....	31
14.	Investments.....	32
15.	Cash and Cash Equivalents .....	33
16.	Debtors .....	33
17.	Creditors: Amounts Falling Due Within One Year .....	33
18.	Creditors: Amounts Falling Due After One Year.....	33
19.	Contingent Assets .....	33
20.	Commitments and Contingent Liability.....	34
21.	<b>Movement in Funds.....</b>	<b>34</b>
	2020 Fund Transfers.....	34
	Life Membership Fund .....	34
	Special Project Fund 2020.....	34
	Unrestricted Designated Funds .....	36
	Special Project Fund 2019.....	37
	2019 Fund Transfers.....	38
22.	<b>Analysis of Net Assets Between Funds .....</b>	<b>38</b>
23.	<b>Company Limited by Guarantee .....</b>	<b>39</b>
24.	<b>Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities .....</b>	<b>39</b>
25.	<b>Related Party Transactions.....</b>	<b>39</b>
26.	<b>Non-adjusting Event Occurring after the end of the Reporting Period .....</b>	<b>40</b>
27.	<b>Securities.....</b>	<b>40</b>

# THE SCOTTISH RAILWAY PRESERVATION SOCIETY

## REPORT OF THE DIRECTORS

for the year ended 31 December 2020.

### TRUSTEES' REPORT

The Board of Trustees, being the Directors and Trustees of the Society for the purposes of company and charity law, presents its report and the audited financial statements for the year ended 31 December 2020.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

### Trustees' Summary

In a difficult year we sought to limit the effects of being unable to derive any income from the Bo'ness and Kinneil Railway or SRPS Railtours for the 2020 running season. A particular highlight has been the support from our members, our customers, the wider heritage movement and the general public in the generosity of their donations to various appeals. During the year the Trustees were successful in securing funding as follows-

- Raising over £284,000 by way of donations and Gift Aid through a range of specific fundraising appeals.
- An additional grant award of £234,300 from the National Lottery Heritage Fund for the *Steaming Ahead* project (in addition to the £741,500 awarded in 2019) for a revised project bringing the total to £975,800.
- A grant of £158,654 to assist in costs of adapting our mainline coaches to assist in social distancing and to undertake urgent electrical works at Bo'ness.
- A small business grant of £10,000 as part of emergency funding in response to the Covid pandemic.

### Objectives and Activities

The Society's objectives are to create and operate a sustainable national Museum of Scottish Railways and a working heritage railway to encourage people to understand the part that railways played in changing Scotland.

This is done in a way that preserves and demonstrates a range of skills and activities, educates visitors, involves the wider community and engages and develops its membership.

In practice the Society's objectives are met through the operation of:-

- The Museum of Scottish Railways, an accredited museum with a collection recognised by Museums Galleries Scotland to be of national significance;
- The Bo'ness & Kinneil Railway, a five-mile long heritage railway with stations and halts at Bo'ness, Kinneil, Birkhill and Manuel; and
- SRPS Railtours, a subsidiary undertaking which runs mainline rail excursions throughout the UK and manages the retail operations.

# THE SCOTTISH RAILWAY PRESERVATION SOCIETY

## REPORT OF THE DIRECTORS

for the year ended 31 December 2020.

### Achievements and Performance

From March to the end of the year all activity was focused on responding to the effect on the Society of the pandemic. Our principal source of income comes from providing passenger and visitor services. In 2020 we were able to run services only on the 2<sup>nd</sup> and 3<sup>rd</sup> of January. Activity at our Bo'ness site had to be suspended entirely for part of the year. When we could return to the site it was subject to strict requirements set out in Regulations made under emergency legislation, in accordance with relevant guidance issued by the Scottish Government and in accordance with guidance issued by the Office of Rail and Road. As 2020 drew to a close it was necessary for the Scottish Government to reimpose strict travel requirements which further limited the work that could be carried out at the Bo'ness site. Having taken legal advice, the Board allowed only work that was aimed at ensuring the financial viability of the Society, or was necessary to ensure the safety and integrity of our infrastructure, or in furtherance of construction work. Despite hopes of being able to reintroduce services in the last quarter of the year, the effect of the second and third peaks of infection in Scotland prevented us being able to do so.

It was clear to the Board that we needed to establish, as best we could, the likely economic impact on the Society for the medium term. All our major projects were suspended at the Board meeting on 16 March 2020. The Board took the opportunity to review all major activity, and to produce a forward financial plan so that we could assess the effect of the Society for the four years 2020 to 2023. In doing so the Board looked to use its unrestricted funds to help navigate through the immediate period of loss of income, and the likely period in the years after the worst effects of the pandemic have passed. There is likely to be a continuing need for social distancing which will affect the capacity we can allow at our more popular events. In addition, the effect on the wider economy is likely to mean a reduction in disposable income which may depress visitor numbers.

The Board determined it should focus the resources available to it in the Legacy Fund and General Fund on those projects which provided long term benefit. The Society had originally committed to providing £1.1M towards the five-year costs of the *Steaming Ahead* project, which was also supported by a number of other grants, in particular a grant of £741,500 from the National Lottery Heritage Fund (NHLF). That was no longer affordable. The aim of *Steaming Ahead* is to ensure that the Society has a sustainable volunteer workforce and is able to constrain future costs of restoration, overhaul and maintenance of its engines and rolling stock through having the infrastructure and skills to undertake more work in-house. It will also assist us in helping visitors better to understand what they see while they are here through better interpretation of the site, and to capture oral history of use of the railways. The Board determined that a future cash contribution of £500,000 would be affordable. It would be necessary to discuss with NHLF a significantly altered project. The discussions with NHLF are reported below.

The mainline MK1 coaches used by SRPS Railtours Ltd were due for overhaul to ensure they meet ORR and Network Rail requirements to allow them to be used on the Mainline after March 2023. SRPS Railtours has provided substantial income to the Society in past years and has every prospect of continuing to do so. SRPS Railtours is an important part of SRPS wider activity. An investment of £400,000 was required to carry out all the necessary works over the period 2020 to March 2023.

# THE SCOTTISH RAILWAY PRESERVATION SOCIETY

## REPORT OF THE DIRECTORS

for the year ended 31 December 2020.

Finally developing Birkhill station would enhance the experience for our visitors. Completion of the signal box, re-signalling to allow trains to pass at Birkhill, and completion of the second platform should also receive priority funding.

The station extension project was put into abeyance. As described last year, a tender obtained in 2018 had shown the build costs alone to have increased to some £670K. The Board considered that to be too great a cost. The Board is, however, concerned to improve customer facilities at Bo'ness and will return to consider what can be afforded once the financial position becomes clearer.

The discussions with the National Lottery Heritage Fund were very helpful. The Board is very grateful to NLHF for the readiness with which it was prepared to look again at the approved purposes of the project and how the existing grant could be used more flexibly. We are also grateful for the assistance given to us to prepare an additional grant application made in October 2020. In November 2020 NLHF awarded the Society an additional grant of £234,300 and agreed the terms of the revised project. The Society's future cash contribution to the project was reduced to £500,000. The number of apprentices was reduced from 6 to 4. The training officer post was reduced from full time to 0.6 FTE. The volunteer co-ordinator and activity co-ordinator posts were combined to one post at 0.8FTE in place of two at 1.2FTE on a three-year and not five-year contract. The interpretation plan was limited to that required in the new engineering facility. Permission was also sought to make more flexible use of the £741,500 already awarded to help meet the shortfall from the reduction in the contribution that SRPS could now make to the project. Together this had the effect of increasing the payment percentage of the project to be met by NHLF from 34% to 56.6%. Construction work on the engineering facility commenced in early January 2021. Other elements of the project will commence in the middle of 2021, with the whole project complete by the end of 2026.

On 12 August Scotland experienced severe weather. The flooding seen around Scotland affected the running line in a number of places causing landslips. One in particular washed away part of an embankment causing the line to have to be closed. The nature and extent of the main landslip required outside assistance with specialist machinery. Following a nationwide appeal, the Society was able to raise over £127,000 towards the costs of effecting repairs to the landslips. This was more than enough to meet the costs of the repair works. The line was reopened to traffic in mid-December. The surplus of funds raised by way of donation over the total costs of the repairs has been placed in a restricted fund to be used to meet the cost of protecting the line against future weather damage or meet the costs of future damage.

Towards the end of the year the Society was successful in being awarded a grant by Historic Environment Scotland of £158,654. This was awarded to meet the costs of installing screens in our MK1 mainline stock to assist in ensuring social distancing; to meet the costs of urgent electrical works in our buildings following an electrical condition survey; and other essential works. The Board is very grateful to HES for the award of the grant.

The Museum of Scottish Railways is the largest railway museum in Scotland. The collections are recognised through the Scottish Government Recognition Scheme as being of national importance. The Museum was closed for all of 2020 apart from the two running days in January.

# THE SCOTTISH RAILWAY PRESERVATION SOCIETY

## REPORT OF THE DIRECTORS

for the year ended 31 December 2020.

In November 2020 the Society appointed Dr Becky Peacock as the Museum Director. Dr Peacock took up her duties in January 2021.

### *Collections Management*

The Scottish Railway Preservation Society has a Collections Development Policy that was last updated in September 2016 and is valid for 5 years unless updated before then. This policy outlines clearly the remit of the Society for developing the collection, in particular in relation to acquisitions and disposals. The Museum of Scottish Railways is an Accredited Museum, and the policy is a requirement of the museum accreditation process. Work has been started to produce an updated Collections Development Policy and a first draft has been compiled. Reaccreditation was due in 2020 but Museum Galleries Scotland in light of Covid-19 extended our accreditation. Accreditation has been extended till April 2022, with announcement of a reaccreditation timetable to be released in October 2021. Museum Galleries Scotland will provide us with six months to prepare before our reaccreditation assessment.

All aspects of railways with relevance to Scotland are represented. Items date from the inception of wagonways to the present day. The Collection was recognised by the Scottish Government in 2007 as being of national significance to Scotland. The collection holds 213 locomotives, carriages, wagons, cranes and other items and a large collection of archives, over 1,600 small objects and 30,000 photographs.

The collection is documented in accordance with the requirements of Accreditation in line with the Spectrum standards. A Care and Conservation Plan and Documentation Plan for planning future collections work is present.

The collections database is stored in proprietary software called Adlib that is increasingly becoming the standard software for Scottish museums. It is used by the National Museums Scotland and all the other Industrial Museums with whom the Society is associated. Each object has a unique accession number and storage location information as well as detailed description fields.

Newly accessioned items are catalogued in relative detail and records for vehicles and photographic items contain an image of the item, something that will gradually be expanded to other parts of the collection. Items transferred from the previous Microsoft Access database tend to have less detail, but these records will be improved over time. All records have a unique accession number, location information and detailed description. The vehicle collection is accessible through the collection website, [www.srpsmuseum.org.uk](http://www.srpsmuseum.org.uk).

Records relating to operational vehicles that are not part of the core collection are stored by the Operations and Finance department and are listed on the website [www.srpsmuseum.org.uk](http://www.srpsmuseum.org.uk).

A percentage of the collection is on display in the museum. Items held in store are available to researchers and other interested individuals by appointment with the museum director. The vehicle collection is largely stored at our Bo'ness site and the items that are not accessible on the walking route can be viewed by appointment with the museum director or volunteers on the site.

# THE SCOTTISH RAILWAY PRESERVATION SOCIETY

## REPORT OF THE DIRECTORS

for the year ended 31 December 2020.

Accessibility to the collection has become an issue in light of Covid-19 and we are exploring how to increase access. The Adlib database can be accessed in the store and visitors to the museum can also access the database with the assistance of the Museum Assistant. The collection website [www.srpsmuseum.org.uk](http://www.srpsmuseum.org.uk) allows the public to explore our vehicle core collection and operational vehicles but not the small objects or archives. An online collections database where all aspects of the collection can be searchable by the public would increase access and knowledge of the recognised collection held by the museum.

### *SRPS Railtours*

SRPS Railtours was unable to undertake much activity in 2020. It had to cancel all its planned tours. Contracts to provide our coaches on hire to other tour operators were cancelled in the light of travel restrictions. Similarly, the retail operation was able to undertake only limited activity during the year. SRPS Railtours made a loss on the year of £32,450. The Society made a long-term loan of £75,000 to SRPS Railtours Ltd. This is in stark contrast to the significant contribution SRPS Railtours, including the retail operation, has made to SRPS in the past (in 2020 SRPS Railtours Ltd provided £235,686 from its operation in 2019).

### Financial Review

The key performance indicators are shown in the Statement of Financial Activities (SOFA), Statement of Cash Flows and the Balance Sheet on pages 19 to 21. The surplus for the year was £58,212 (2019: deficit £387,528).

Total funds increased to £2,813,753 (2019: £2,755,541). Unrestricted funds, including fixed assets increased to £2,390,392 (2019: £2,603,821) whilst restricted funds increased to £423,361 (2019: £151,720). Free reserves fell to £242,230 (2019: 356,9010). Although this is below the policy of £350,000, it is better than anticipated, given the impact of Covid-19.

### *Capital Investments*

During 2020 no capital investments were made (2019: £5,659). During the year disposals of capital assets made a loss of £40 (2019: income £4,882). Funds are being held for major capital works during 2021.

### *Donations and Legacies*

In 2020 donations, memberships, Gift Aid and legacies totalled £303,812 (2019: £104,822). The increase was mainly the result of two major appeals, one for the General Fund and the other for the repair of the landslide. Donations were £235,796 (2019: £57,774) excluding Gift Aid.

### *Appreciation*

The Board of Trustees is grateful to the volunteers who gave their time and effort in support of the Society in extraordinary circumstances over the last year. Hundreds of hours of work was undertaken by volunteers working in their own homes. Substantial work was required to keep up to date with regulations and guidance and translate these into new methods of safe working when we returned to site, and started to plan to resume services. Substantial work was required to examine our finances and plan for the future. Application processes for grants required significant time and effort to complete the application and produce the evidence in support. Many hours were required to promote the fundraising appeals and to manage and account for the funds. This was alongside the dedication of our volunteers in carrying on the “business as

# THE SCOTTISH RAILWAY PRESERVATION SOCIETY

## REPORT OF THE DIRECTORS

for the year ended 31 December 2020.

usual” work that allows the Society to function, and in undertaking vital work on the Bo’ness site.

It is not possible to put a financial valuation on all of the volunteers’ work, and so it has not been included in the financial statements. Suffice to say that without their efforts the Society would not be able to function and further its charitable purpose.

The Board of Trustees wishes to gratefully acknowledge the support of Falkirk Council, the Scottish Government, Museums Galleries Scotland, Heritage Environment Scotland, the Robertson Trust, National Museums Scotland, the National Lottery Heritage Fund, the National Railway Museum, the Railway Heritage Trust, Network Rail, Transport Scotland and many other private and public organisations that have provided invaluable support throughout the period and in the past

### **Reserves policy and going concern**

The unrestricted reserves of the charity amount to £2,390,392 as shown on the Balance Sheet and at note 21. The free reserves being unrestricted funds not tied up in fixed assets or designated for particular purposes amounted to £242,230 (2019: £356,901). These reserves represent unrestricted funds arising from past operating results. It is the policy of the charity to designate £5,000 of unrestricted funds per annum to meet potential future costs of renewing the mainline connection. In the light of the effect on income of the pandemic the directors decided to expand the purposes to which it would apply the designated legacy fund. The priority would be to fund in whole or in part capital projects but also other developmental projects, such as the refurbishment of the MK1 coaches. It would also use the money, if needed, to help ensure the Society can operate as we navigate the immediate effect of being unable to run services, and the likely economic effects of the pandemic in the coming few years.

In addition, the directors have decided to maintain a designated Fixed Asset Fund, which represents the net book value of fixed assets held by the charity and is not freely available to use as working capital.

The reserves policy is based on the guidance CC26 Charities and Risk Management, issued by the Charities Commission for England and Wales and the equivalent document issued by the Office of the Scottish Charities Regulator (OSCR). On examining the financial impact of the major hazards in the Society’s Risk Register, the Board concluded that the target for the General Fund should be a minimum of £350,000 at the end of the financial year. A major consideration was the Society’s dependence on the railway line for income from both the operation of the Bo’ness & Kinneil Railway and SRPS Railtours. These income streams would be severely affected by an extended loss of the use of the railway track as proved true in 2020. It may be difficult to achieve the reserve figure by each year’s end in the next few years. Our aim is to do so by the end of 2024.

This policy also takes into account the seasonal nature of income such that in the first six months of each new financial year the Society will most likely incur a significant deficit.

### **Plans for Future Periods**

The SRPS remains committed to its goals of:-

- accreditation to national museum standards;

# THE SCOTTISH RAILWAY PRESERVATION SOCIETY

## REPORT OF THE DIRECTORS

for the year ended 31 December 2020.

- remaining a key player in the advancement of Scottish heritage; and
- developing and promoting the operation of the Heritage Railway to secure its recognition as a visitor attraction of National Importance

Activities to achieve these ends include

- the continued development of the historic collection (through acquisitions and disposals);
- developments in quality collection care, conservation and presentation;
- increasing knowledge and documentation of the collection with improved interpretation;
- the creation of further effective public access to the collections, archives and library;
- improving the facilities to allow the establishment of a centre for heritage railway engineering;
- enhancing the total visitor experience with improved facilities involving wider communities; and
- engaging and developing our membership.

These developments will be achieved where possible by volunteer staff, or by remunerated staff when justified. The SRPS will work with partners such as Falkirk Council and local developers in relation to current local development opportunities, and with the Scottish Government and Museums Galleries Scotland to ensure that the national significance of the collection is recognised and supported.

As we reported last year progress towards these goals is dependent on the level of funding that can be realised, both in terms of expansion of existing trading activities and in the successful acquisition of grants and donations.

On 4 January 2021 very strict travel restrictions were imposed, which it seems likely will be in place for most of first quarter of the year. This did not affect the very limited work being undertaken at the Bo'ness site as described above. However, it did prevent necessary pre-season work that is required every year. It also prevented the specific work to refresh skills that will be required as we return to running services after so long a gap. This meant that we will not be able to commence our running season at our usual time of end of March. We will need to ensure that all our operational staff have an opportunity to refresh skills. We will also need to put in place arrangements to ensure social distancing, passenger management around our site, and a cleaning and hygiene regime to limit the possibility of spread of infection. When we can commence services is presently unclear. It will depend on the extent to which travel restrictions are eased to allow our volunteers to travel to Bo'ness to undertake pre-season familiarisation and training.

We also now have a clearer understanding of the likely effect the pandemic will have both during 2021 and in the years after. Many of the certainties upon which we have been able to plan no longer hold true. The Board will therefore during 2021 undertake a thorough strategic review. We need to have a shared clear view within the Society of the challenges we need to address and the business models for our various activities to ensure we return to surplus. The tourism and heritage sector is likely to be among the last sectors in which the restrictions on movement and operation, imposed to contain the spread of the virus, will be relaxed. We know we will have to adapt ways of working to comply with regulations requiring us to maintain social distancing arrangements for our volunteers, employees and customers. We need to adapt our usual programme of services and events better to meet the health and safety requirements arising from the pandemic (even with a vaccinated population) and public expectation. SRPS will continue to seek capital grants and revenue funding from specific short-term initiatives and

# THE SCOTTISH RAILWAY PRESERVATION SOCIETY

## REPORT OF THE DIRECTORS

for the year ended 31 December 2020.

look to increase fund raising by way of donation for specific projects. We also need to look to the longer term, and the risks and challenges that we mention below. Finally, we need to make sure that approval of funding for projects helps deliver the strategic priorities of the Society in a way that best delivers our charitable purpose.

The Society will also work to increase public access, using the collection as a source of creativity, learning and enjoyment, and to increase the social and economic benefits that it creates by its efforts. An increased contribution to the Scottish museums sector through collaboration and partnership working is also anticipated.

Operating a heritage railway poses challenges in terms of skills retention and development. The increasingly rigorous operational standards require facilities that meet modern standards. This will only be met through the injection of capital and training initiatives and through collaboration with the wider heritage railway community and engaging and developing our membership.

### **Responsibilities of the Directors**

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Directors should follow best practice and

- select suitable accounting policies and then apply them consistently;
- observe the methods and policies of the Charities Statement of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue on that basis.

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Directors are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Structure, Governance and Management**

The principal documents governing the Society's conduct of business are the Memorandum of Association and Articles of Association. These are supplemented by an Organisation Chart and remits for the Board of Trustees and Committees of the Society which are subject to regular review.

The Board recognises that the SRPS is a large, complex and growing organisation, and that both Company law and Charity law and practice are becoming more demanding and more complicated.

The names of the Trustees who served during the year are noted on page 10. The Business Development Manager (who is a paid employee) is also a Trustee. All other trustees are elected. The Board of Trustees aims to meet approximately every two months.

# THE SCOTTISH RAILWAY PRESERVATION SOCIETY

## REPORT OF THE DIRECTORS

for the year ended 31 December 2020.

The four office bearers, Chairman, Vice Chairman, Hon. Treasurer and General Secretary meet on an ad hoc basis to review the overall strategy and direction of the Society. In addition, a number of Principal Sub-committees address specific areas of activity. These are:-

- The Executive Committee that makes day to day decisions affecting the running of the Society, within a wider framework set by the Trustees
- The Railway Management Committee that makes day to day decisions affecting the Bo'ness site in relation to railway operations
- The Finance and Audit Committee that supervises the financial management system, and maintains the risk register for review by the Board of Trustees
- The Museums and Acquisitions Committee that supervises the management of the collections in the Society's care and advises on the operation of the Museum
- The Business and Development Committee that supervises the promotion of the railway to increase core income, and the development of new means of raising funds.

New trustees are assisted to understand the duties of membership of the Board by periodic training sessions and one to one mentoring.

The Board retains responsibility for decisions relating to strategy, policy, financial and safety management systems. Decisions relating to procedures, methodology and delivery are taken by volunteer and paid staff working in teams as appropriate, to the extent dictated by the knowledge, skills and experience of the individuals. The Trustees are all working volunteers or paid staff, and as such have a direct understanding of the impact and effectiveness of Board decisions.

All activities are reviewed through reports to the Board of Trustees, and policy is considered and amended accordingly. Certain major decisions are reserved for the Board of Trustees or, in a few cases, the Annual General Meeting.

The committee structure of the Society is such that the Society has no paid key management personnel in terms of the definition in the SORP.

The Board of Trustees met 12 times during the year and continued to comply with all statutory and regulatory obligations.

The Society works closely with the following organisations:-

- The Scottish Railway Museum Collections Trust, a separately constituted charitable trust (Scottish charity SC020611) which holds title to the Museum Collection, the day to day management of which is undertaken by the Society in terms of the Management Agreement entered into between the two bodies. For the purposes of the Charities Accounts (Scotland) Regulations 2006 (as amended), the SRMCT may be regarded as a subsidiary undertaking by virtue of the fact that the Society has the right to nominate a majority of the Trustees, but in terms of the Trust Deed the Society has no power to give directions to otherwise control the actions of the Trustees, who act independently of the Society.
- The Scottish Railway Museum Trust, a separately constituted charitable trust (Scottish charity SC032072), a subsidiary of the Society by virtue of the Society's control of the Trustees. The SRMT has been inactive for some time. The Trust was wound up in January 2021.

# THE SCOTTISH RAILWAY PRESERVATION SOCIETY

## REPORT OF THE DIRECTORS

for the year ended 31 December 2020.

- SRPS Railtours Ltd, a subsidiary of the Society, which operates day excursions and charter trains on the National Network, to demonstrate rail travel of earlier times, and which raises revenue for the Society. SRPS Railtours Ltd is also responsible for retail operations.
- The Bo'ness & Kinneil Railway Company Ltd, which holds title to part of the land over which the Society operates its railway.

### Reference and Administrative Details

#### **Status**

The Society is incorporated as a company limited by guarantee, and was granted recognition by the Inland Revenue as a charity on 22 May 1974. The Society is recognised as a charity by the Office of the Scottish Charity Regulator (OSCR), charity number SC002375.

The objects and powers of the Society are set out in its Memorandum of Association, in terms of which its principal purpose is the establishment of a museum of railways in Scotland. The rules and procedures of the Society are contained in its Articles of Association, in terms of which the management of its affairs is vested in a Board of Trustees, being the Board of Directors of the Society for the purposes of company law and trustees for the purpose of charity law. The individual members of the Board of Trustees are elected at the annual general meeting to serve for an initial period of three years.

Directors and Trustees (Members of the Board of Trustees) holding office on 1 January 2020 or subsequently appointed

Stephen Humphreys	Chairman
James Verth	Vice-Chairman
David J. Morrison	Finance resigned 21 January 2020
David Roderick	Honorary Secretary

Iain Anderson	
Mark Ashmole	resigned 17 July 2020
John Evans	resigned 17 July 2020
Christopher Farrell	
Andrew Fowler	
Geoff Arthur Garner	
Amanda Kilburn	
Martin McInnes	appointed 17 July 2020
James Robertson	
Stuart Sellar	appointed 17 July 2020

#### Company Secretary

David Roderick

#### Registered Company Number

SC055533

#### Registered Office

17-19 North Street

**THE SCOTTISH RAILWAY PRESERVATION SOCIETY**

**REPORT OF THE DIRECTORS**

**for the year ended 31 December 2020.**

Bo'ness,  
West Lothian  
EH51 0AQ.

**Operational Address**

Bo'ness Station,  
Union Street,  
Bo'ness.  
West Lothian  
EH51 9AQ.

**Senior Statutory Auditor**

Kevin Cattnach

**Auditors**

Whitelaw Wells  
Statutory Auditor  
9 Ainslie Place  
Edinburgh  
EH3 6AT.

**Bankers**

The Royal Bank of Scotland plc  
23 Sauchiehall Street  
Glasgow  
G2 3AD.

**Solicitors**

Thorntons  
Citypoint,  
3rd Floor  
65 Haymarket Terrace  
Edinburgh  
EH12 5HD

**Statement as to Disclosure of Information to Auditors**

As far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each director has taken all the steps he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

**Members of the Society**

Membership of the Society is open to individuals and families. Grades of membership open to new members are Ordinary, Family, Junior and Associate. Life, Family Life, Premier Life and Premier Family Life grades are closed to new members. Retired membership closed to new members from 1 January 2020 and to existing members reaching age 60 on or after that date. As at 31 December 2020 the breakdown of membership grades was as shown in the table below.

**THE SCOTTISH RAILWAY PRESERVATION SOCIETY**

**REPORT OF THE DIRECTORS**

for the year ended 31 December 2020.

<b>Grade</b>	<b>Number of Memberships</b>	<b>Number of Voting Members</b>
Ordinary	373	373
Retired	487	487
Associate	70	70
Family	56	100
Junior	10	0
Group	0	0
Life	162	162
Family Life	17	26
Premier Life	63	63
Premier Family Life	14	25
Honorary	28	28
<b>TOTAL</b>	<b>1,280</b>	<b>1,334</b>

<b>Movement Category</b>	<b>Number of Memberships</b>	<b>Number of Members eligible to vote</b>
New + Lapsed (rejoined)	+55	+56
Resigned	-23	-24
Lapsed (net)	-72	-69
Deceased	-18	-18
Gone away (net)	0	0
Net effect of changes between Family / Ordinary Grades/Juniors/Honorary	+2	+4
<b>NET INCREASE/DECREASE</b>	<b>-56</b>	<b>-51</b>

Current rates and benefits of membership are given in a membership leaflet. All members are invited to be active in the running of the Society, and, as reported earlier, the volunteers fulfil most of the functions in the Society's operations. These include management, administration, professional, curatorial, technical and craft skills, research, visitor services and all general activities for both the Society and its trading subsidiary SRPS Railtours Limited. Specialist training is provided where the volunteer does not bring the necessary skills from his employment, and in safety critical applications such as train crew, regular medical examinations and biennial rules exams are required. Overall it is estimated that in excess of 380 members or 28% of the voting membership are volunteers.

**Risk Management**

The Directors are satisfied that the systems in place mitigate exposure to the major risks contained in its risk register. It has not been possible during the year, given other priorities, to develop the risk register to provide a nominated owner for each risk. The Board had to concentrate on managing the immediate risks posed by the pandemic and the landslips. Work

# THE SCOTTISH RAILWAY PRESERVATION SOCIETY

## REPORT OF THE DIRECTORS

for the year ended 31 December 2020.

on revising and updating the Safety Management System continued throughout the year. Operational risks are minimised by the application of working methods, training, competency assessment of volunteers and equipment inspections based on those applied in similar workplaces with remunerated employees. Technical advice is obtained from the Society's Safety Advisor (who is a professional railwayman), Insurers, the Safety Committee of the Railway Heritage Association and from the knowledge and skills of members acquired in their professional life. All safety critical posts are subjected to regular medical examination for fitness for duty. As part of the strategic review the Directors will review all the existing risks contained in the risk register.

The Directors assess the principal risks and uncertainties in the long term to be as described below.

### *An ageing workforce*

The average age of our volunteer base, on which the Society depends, is increasing, with many long-standing volunteers unable to carry on with the volume of work that they did previously. Younger volunteers often have full-time jobs and with the pressures of the modern working environment they are less able to give as much time as previous generations. The employment of a volunteer coordinator is in part aimed to assist in ensuring we can continue to recruit new volunteers. We have yet to see what effect the pandemic may have on volunteer numbers once we return to running services. The provision of in-house training staff as part of the Steaming Ahead project provides a means to equip new volunteers with the engineering skills we need.

### *A challenging financial environment*

We know the next few years will be difficult. Our present projections do not see us being able to return to operating at surplus before 2024. For the present, public funding by way of various grant schemes is helping to offset to some extent loss of income from trading activities. The Society is extremely grateful for the significant support it has received from a variety of external funders, in particular NHLF and HES. However, we recognise that this source of income is likely to be available only in the short term, particularly as implications on public expenditure of the pandemic become clear. It is possible that some form of social distancing may be required beyond 2021 which will depress numbers at our major events. The effect on the economy from the pandemic may also reduce disposable income and it may take a few years before we can hope to return to passenger numbers seen in 2019. The Society will actively pursue other sources of income and will ensure the money received is spent sensibly and efficiently. Demonstration of this will show other potential donors that their donation will be used appropriately. The Society will also, through the strategic review, look to produce a business model that will secure its future in the long term.

### *A growing collection*

The growing collection brings challenges for conservation and, where appropriate, restoration. Long-term conservation of the collection requires covered accommodation and the skills and time to conserve and maintain the vehicles. Some rationalisation of the collection may be necessary to facilitate future growth. The Society also needs to balance the desire to take on new items with the ability and resources to care for them.

# THE SCOTTISH RAILWAY PRESERVATION SOCIETY

## REPORT OF THE DIRECTORS

for the year ended 31 December 2020.

### *Increasing public expectations*

Public expectations of a visitor attraction are evolving and the Society needs to adjust its products and services at least to meet these expectations. Facilities, access, catering, customer service and special events need to be maintained or improved to give visitors the best possible experience and to grow visitor numbers.

### *Increased regulation*

Health and safety, financial and other regulatory frameworks are changing and becoming increasingly demanding. This has been particularly true since March of this year. The Directors recognise the increasing amount of time and effort required to meet these evolving regulations. Changing railway legislation puts the operation of both the branch line and mainline Railtours at risk. The Society has good contacts within the railway industry and is well aware of future proposals.

### **Auditors**

A resolution to re-appoint Whitelaw Wells as auditors was passed at the AGM in July 2020 in accordance with sections 423 and 424 of the Companies Act 2006.

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the Board of Trustees on June 2021 and signed on its behalf

Geoff Garner

Director and Chairman of the Finance and Audit Committee

**THE SCOTTISH RAILWAY PRESERVATION SOCIETY**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND DIRECTORS OF**  
**THE SCOTTISH RAILWAY PRESERVATION SOCIETY**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**Opinion**

We have audited the financial statements of The Scottish Railway Preservation Society for the year ended 31 December 2020, which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs UK) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' (who are also directors of the company for the purposes of company law) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on

**THE SCOTTISH RAILWAY PRESERVATION SOCIETY**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND DIRECTORS OF**  
**THE SCOTTISH RAILWAY PRESERVATION SOCIETY**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report, included within the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' annual report;
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the directors determine is necessary to enable the

**THE SCOTTISH RAILWAY PRESERVATION SOCIETY**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND DIRECTORS OF**  
**THE SCOTTISH RAILWAY PRESERVATION SOCIETY**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error.

From enquiries of those charged with governance, it was determined that the risk of material misstatement from fraud was low with little scope for fraud to occur. Our audit testing is designed to detect material misstatements from fraud where there is not high level collusion.

Our audit testing was designed to detect material misstatements from other irregularities that result from error where there is not high level concealment of the error. In this regard the following audit work was undertaken: applicable laws and regulations were reviewed and discussed with management; senior management meeting minutes were reviewed; internal controls were reviewed; and journals were reviewed. From this audit testing it was determined that the risk of material misstatement in this regard was low.

We carried out income testing which was designed to identify any irregularities as a result of simple mistakes or human error. From this audit testing it was determined that the risk of material misstatement in this regard was low.

**THE SCOTTISH RAILWAY PRESERVATION SOCIETY**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND DIRECTORS OF**  
**THE SCOTTISH RAILWAY PRESERVATION SOCIETY**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charitable company's Trustees, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Kevin Cattnach (Senior Statutory Auditor)  
For and on behalf of Whitelaw Wells  
Statutory Auditor  
9 Ainslie Place  
Edinburgh, Midlothian, EH3 6AT

KEVIN CATTANACH (Senior Statutory Auditor)  
**JUNE 2021**

**THE SCOTTISH RAILWAY PRESERVATION SOCIETY**

**Company No. SC055533**

**STATEMENT OF FINANCIAL ACTIVITIES**

**for the year ended 31 December 2020**

	Note	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	2019 £
<b>Income and endowments from:</b>					
Donations and legacies	2	77,606	226,206	303,812	104,822
Charitable activities	3	114,588	161,991	276,579	123,131
Other trading activities	4	32,765	25	32,790	535,488
Gift aid distribution from subsidiary		235,686	-	235,686	119,949
Investments		3,200	-	3,200	4,522
Other		1,843	288	2,131	46,826
<b>Total</b>		<b>465,688</b>	<b>388,510</b>	<b>854,198</b>	<b>934,738</b>
<b>Expenditure on:</b>					
Raising funds	5,6	184,756	1,078	185,834	463,094
Charitable activities	7,8	473,695	136,457	610,152	859,172
<b>Total</b>		<b>658,451</b>	<b>137,535</b>	<b>795,986</b>	<b>1,322,266</b>
Net (expenditure)/income before transfers		( 192,763)	250,975	58,212	( 387,528)
Transfers between funds	21	( 20,666)	20,666	-	-
Net movement in funds		<b>( 213,429)</b>	<b>271,641</b>	<b>58,212</b>	<b>( 387,528)</b>
Total funds brought forward		<b>2,603,821</b>	<b>151,720</b>	<b>2,755,541</b>	<b>3,143,069</b>
Total funds carried forward		<b>2,390,392</b>	<b>423,361</b>	<b>2,813,753</b>	<b>2,755,541</b>

The notes on pages 22 to 40 form part of the financial statements.

Movements in funds are disclosed in Note 21 to the financial statements.

The company has no recognised gains or losses other than the results for the year as set out above.

All the activities of the company are classed as continuing.

**THE SCOTTISH RAILWAY PRESERVATION SOCIETY**

**Company No. SC055533**

**BALANCE SHEET**

**As at 31 December 2020.**

	Note	Dec 2020 £	Dec 2020 £	Dec 2019 £	Dec 2019 £
Fixed assets					
Tangible assets	13		744,691		848,455
Heritage assets	13		300,900		300,900
Investments	14		100		100
			<u>1,045,691</u>		<u>1,149,455</u>
Current assets					
Stock		12,138		11,035	
Debtors	16	313,584		117,871	
Cash at bank and in hand	15	1,574,860		1,571,978	
		<u>1,900,582</u>		<u>1,700,884</u>	
Creditors: Amount falling due within one year	17	<u>( 131,520)</u>		<u>( 93,798)</u>	
Net current assets			<u>1,769,062</u>		<u>1,607,086</u>
Total assets less current liabilities			2,814,753		2,756,541
Creditors: Amount falling due after more than one year	18		<u>( 1,000)</u>		<u>( 1,000)</u>
			<u><u>2,813,753</u></u>		<u><u>2,755,541</u></u>
Unrestricted funds					
Designated funds	21		2,148,162		2,246,920
General fund	21		242,230		356,901
Restricted funds	21		423,361		151,720
Total funds			<u><u>2,813,753</u></u>		<u><u>2,755,541</u></u>

These accounts are prepared in accordance with the special provisions in part 15 of the Companies Act 2006 and with the Financial Reporting Standard for applicable in the UK and Republic of Ireland (FRS 102).

The notes on pages 22 to 40 form part of the financial statements.

Approved by the Board of Trustees on June 2021 and signed on its behalf by:

Stephen Humphreys  
Director and SRPS Chairman

**THE SCOTTISH RAILWAY PRESERVATION SOCIETY**

**Company No. SC055533**

**STATEMENT OF CASH FLOWS for the year ending 31 December 2020**

	Note	2020 £	2019 £
<b>Cash (used in) / provided by operating activities</b>	24	<u>( 238,004)</u>	<u>( 324,684)</u>
<b>Cash flows from investment activities</b>			
Interest income		3,200	4,522
Gift Aid distribution from Subsidiary		235,686	119,949
Purchase of tangible fixed assets		-	( 5,659)
Disposal of assets		2,040	4,882
Loss on disposal of assets		<u>( 40)</u>	<u>( 333)</u>
<b>Cash provided by investing activities</b>		<u>240,886</u>	<u>123,361</u>
<b>Increase/(decrease) in cash and cash equivalents in the year</b>			
		<u>2,882</u>	<u>( 201,323)</u>
Cash and cash equivalents at the beginning of the year		1,571,978	1,773,301
<b>Total cash and cash equivalents at the end of the year</b>	15	<u>1,574,860</u>	<u>1,571,978</u>

**THE SCOTTISH RAILWAY PRESERVATION SOCIETY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2020.**

**1. Accounting policies**

- a) The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and follow the recommendations in Accounting and Reporting by Charities Statement of Recommended Practice (FRS 102) effective 1 January 2019.

The charity constitutes a public benefit entity as defined by FRS 102.

Consolidated group accounts have also been prepared in accordance with Scottish Statutory Instrument 2007 No.218 The Charities Accounts (Scotland) Regulations 2006 (as amended). These financial statements contain information about the Scottish Railway Preservation Society as an individual company and do not contain consolidated financial information as a parent of a group.

- b) The Directors consider that there are no material uncertainties about the ability of the charity to continue as a going concern for the foreseeable future. The Directors have prepared projections for a period covering 2021 to 2023 and are satisfied that liabilities will be met as they fall due. . This assessment of going concern includes the expected impact of Covid-19 to the charity for a period of at least 12 months from the date of signing of these accounts. Accordingly, the accounts have been prepared on a going concern basis.
- c) Donations, legacies and gifts and membership subscriptions are included in full in the Statement of Financial Activities when receivable.
- d) Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable.
- e) Income from trading is recognised when the service is provided, net of VAT.
- f) Income from investments is included when receivable.
- g) Expenditure is recognised on an accruals basis as a liability is incurred and is reported as part of the expenditure to which it relates. It is allocated to the particular activity where the cost relates directly to that activity. Support costs, comprising governance costs, the salary and overhead costs of the central function, are charged out to each activity in accordance with the estimated cost of providing the support to the direct activities. Support costs are attributed on reasonable estimates of usage.
- h) Likewise, depreciation is charged out to the activity being undertaken by the relevant fixed assets, except in the case of listed buildings, the care of which is considered a charitable activity in its own right.
- i) Governance costs include legal, audit and accountancy fees associated with the preparation of statutory accounts. Governance costs also include, where material, costs of strategic planning activities, meetings of the Board of Trustees, annual and extraordinary general meetings of the membership.
- j) Locomotives, Carriages, Wagons and Small Artefacts are considered to be heritage assets and as such are not depreciated. Assets under construction are not depreciated. All other non-heritage assets are stated at cost, less aggregate depreciation. Depreciation is calculated on a straight-line basis at rates estimated to write off these assets evenly over their expected useful lives as follows:

Tenant's Improvements	25 years
Permanent Way	25 years
Scottish Railway Exhibition	10 years
Plant & Machinery	5 years
Office Equipment	5 years
Motor Vehicles	5 years

**THE SCOTTISH RAILWAY PRESERVATION SOCIETY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**for the year ended 31 December 2020.**

- k ) All purchased fixed assets are initially recorded at cost. Donated assets are recorded at nil value due to the prohibitive cost of obtaining a valuation. Non-heritage items are only capitalised where they cost in excess of £5,000. Acquisitions and disposals are made in line with Society policy, a copy of which can be obtained from the registered office.
- l ) Stocks are stated at the lower of cost and net realisable value.
- m ) Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.
- n ) Designated funds are funds set up by the Board of Trustees to earmark assets from the General Fund for a specific purpose.
- o ) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure that meets the criteria is charged to the fund. In general, a share of support costs is not charged to restricted funds, except when there is a specific reason to do so.
- p ) Where donated items are received along with a reliable measure of their value, they are recognised in the Statement of Financial Activities at that value. Where a valuation is not provided, donated items are recorded at nil value due to the prohibitive cost of obtaining a valuation.
- q ) The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.
- r ) The charity operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

**THE SCOTTISH RAILWAY PRESERVATION SOCIETY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**for the year ended 31 December 2020.**

**2. Donations and legacies**

	Unrestricted 2020 Funds £	Restricted 2020 Funds £	Total 2020 Funds £	Unrestricted 2019 Funds £	Restricted 2019 Funds £	Total 2019 Funds £
General Donations	45,446	190,350	235,796	18,978	38,796	57,774
Legacies	6	-	6	174	-	174
Gift Aid	13,001	35,856	48,857	6,933	9,587	16,520
Railtour raffles	-	-	-	10,022	-	10,022
Membership subs	19,153	-	19,153	20,332	-	20,332
<b>Total donations and legacies</b>	<b>77,606</b>	<b>226,206</b>	<b>303,812</b>	<b>56,439</b>	<b>48,383</b>	<b>104,822</b>

**3. Income from Charitable Activities.**

	Unrestricted 2020 Funds £	Restricted 2020 Funds £	Total 2020 Funds £	Unrestricted 2019 Funds £	Restricted 2019 Funds £	Total 2019 Funds £
Museum admissions	218	-	218	21,612	-	21,612
Grants and Joint Working Agreements received	97,603	161,991	259,594	68,894	-	68,894
Rolling stock hire	5,000	-	5,000	5,000	-	5,000
Facilities hire	11,767	-	11,767	27,625	-	27,625
<b>Total charitable activities</b>	<b>114,588</b>	<b>161,991</b>	<b>276,579</b>	<b>123,131</b>	<b>-</b>	<b>123,131</b>

**4. Other Trading Activities**

	Unrestricted 2020 Funds £	Restricted 2020 Funds £	Total 2020 Funds £	Unrestricted 2019 Funds £	Restricted 2019 Funds £	Total 2019 Funds £
Train operations	3,931	-	3,931	471,973	-	471,973
Retail	3	25	28	11	2,720	2,731
Catering	2,000	-	2,000	43,372	-	43,372
Other Fundraising Activities	26,831	-	26,831	17,412	-	17,412
<b>Total other trading activities</b>	<b>32,765</b>	<b>25</b>	<b>32,790</b>	<b>532,768</b>	<b>2,720</b>	<b>535,488</b>

**THE SCOTTISH RAILWAY PRESERVATION SOCIETY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 December 2020.**

**5. Fundraising Costs**

Fundraising expenditure	Membership Costs	Fundraising Trading	Fundraising Publicity	Railtour Fundraising	Total Fundraising Expenditure 2020	Total Fundraising Expenditure 2019
<b>Direct Costs</b>						
Staff Costs (Note 10)	-	1,362	52,813	15,873	70,048	122,830
Catering Supplies	-	-	-	-	-	26,949
Promotion	-	387	3,863	-	4,250	24,922
Special Events	-	4,293	-	-	4,293	102,174
Train Operating Costs	-	7,495	-	-	7,495	74,252
Consumables and Tools	-	824	-	-	824	4,228
Communications	9,045	185	243	-	9,473	13,068
Contractors	-	1,448	940	-	2,388	7,596
Materials and Parts	-	346	-	-	346	104
Health and Safety	-	5,745	-	-	5,745	6,720
Carriage	-	-	-	-	-	-
Other	-	151	740	-	891	5,380
<b>Total direct expenses</b>	<b>9,045</b>	<b>22,236</b>	<b>58,599</b>	<b>15,873</b>	<b>105,753</b>	<b>388,223</b>
<b>Total support expenses (Note 6)</b>	<b>604</b>	<b>59,111</b>	<b>20,366</b>	<b>-</b>	<b>80,081</b>	<b>74,871</b>
<b>Total governance expenses (Note 6)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>9,649</b>	<b>81,347</b>	<b>78,965</b>	<b>15,873</b>	<b>185,834</b>	<b>463,094</b>
<b>Included in the above is restricted expenditure of:-</b>	<b>1,078</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,078</b>	<b>1,078</b>
<b>Restricted Expenditure in 2019</b>	<b>1,078</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,078</b>	<b>1,078</b>

SRPS Report Dec 2020

**THE SCOTTISH RAILWAY PRESERVATION SOCIETY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 December 2020.**

**6. Fundraising Support Costs**

Fundraising support costs	Membership Costs	Fundraising Trading	Fundraising Publicity	Railtour Fundraising	Fundraising Support Expenditure 2020	Fundraising Support Expenditure 2019
Support costs allocated to activities						
Payroll -Support (Note 10)	-	22,474	11,237	-	33,711	17,429
Utilities	-	3,781	3,781	-	7,562	13,292
Rent, Insurance	-	3,705	3,087	-	6,792	7,769
Communications	229	458	458	-	1,145	1,250
Contractors & Consultants	-	-	-	-	-	-
Bank Charges	-	579	772	-	1,351	3,325
Depreciation	-	26,650	-	-	26,650	26,649
Mainline Connection Maintenance	-	452	-	-	452	1,355
Bad debt written off	-	75	-	-	75	284
Other Support Costs	375	937	1,031	-	2,343	3,518
<b>Total Support Costs</b>	<b>604</b>	<b>59,111</b>	<b>20,366</b>	<b>-</b>	<b>80,081</b>	<b>74,871</b>

**THE SCOTTISH RAILWAY PRESERVATION SOCIETY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 December 2020.**

**7. Charitable Costs**

Charitable expenditure	Curatorial & education	Buildings and Structures	Permanent Way	Carriages and Wagons	Steam Locomotives	Steaming Ahead	Diesel and Electric Haulage	Total Charitable Expenditure 2020	Total Charitable Expenditure 2019
<b>Direct Costs</b>									
Staff Costs (Note 10)	13,052	39	618	27,275	14,250	2,434	697	58,365	142,628
Promotion	-	-	128	-	-	-	-	128	-
Train Operating Costs	-	-	-	-	-	-	722	722	2,558
Consumables and Tools	166	42	2,280	5,155	4,495	-	5,759	17,897	39,225
Communications	-	-	-	1,602	163	-	38	1,803	1,138
Contractors	103	395	102,893	60,649	8,994	-	27,766	200,800	317,336
Plant & Machinery Repairs	-	-	-	-	65	-	6,114	6,179	4,105
Materials and Parts	1,073	1,979	4,894	18,575	10,464	-	11,377	48,362	78,524
Carriage	-	570	-	6,428	48	-	812	7,858	4,727
Other	1,749	609	542	-	5,419	1,125	1,399	10,843	11,798
<b>Total direct expenses</b>	<b>16,143</b>	<b>3,634</b>	<b>111,355</b>	<b>119,684</b>	<b>43,898</b>	<b>3,559</b>	<b>54,684</b>	<b>352,957</b>	<b>602,039</b>
<b>Total support expenses (Note 8)</b>	<b>79,864</b>	<b>26,609</b>	<b>45,779</b>	<b>28,154</b>	<b>33,424</b>	<b>-</b>	<b>32,661</b>	<b>246,491</b>	<b>248,307</b>
<b>Total governance expenses (Note 8)</b>	<b>1,783</b>	<b>1,783</b>	<b>1,784</b>	<b>1,784</b>	<b>1,786</b>	<b>-</b>	<b>1,784</b>	<b>10,704</b>	<b>8,826</b>
<b>Total</b>	<b>97,790</b>	<b>32,026</b>	<b>158,918</b>	<b>149,622</b>	<b>79,108</b>	<b>3,559</b>	<b>89,129</b>	<b>610,152</b>	<b>859,172</b>
<b>Included in the above is restricted expenditure of:-</b>	<b>54</b>	<b>231</b>	<b>95,155</b>	<b>21,015</b>	<b>11,309</b>	<b>3,559</b>	<b>5,134</b>	<b>136,457</b>	<b>212,776</b>
<b>Restricted Expenditure in 2019</b>	<b>5,236</b>	<b>92,615</b>	<b>8</b>	<b>3,107</b>	<b>7,430</b>	<b>102,810</b>	<b>1,570</b>	<b>212,776</b>	<b>123,812</b>

**THE SCOTTISH RAILWAY PRESERVATION SOCIETY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 December 2020.**

**8. Charitable Support Costs**

Charitable support costs	Curatorial & education	Buildings and Structures	Permanent Way	Carriages and Wagons	Steam Locomotives	Steaming Ahead	Diesel and Electric Haulage	Total Charitable Support and Governance Expenditure 2020	Total Charitable Support and Governance Expenditure 2019
Support costs allocated to activities									
Payroll -Support (Note 10)	16,856	11,237	16,856	11,237	11,237	-	11,237	78,660	40,668
Utilities	3,781	3,781	3,781	3,781	3,781	-	3,781	22,686	39,876
Rent, Insurance	6,970	3,087	3,087	3,087	3,087	-	3,087	22,405	24,980
Communications	1,719	1,719	1,719	1,719	1,719	-	1,719	10,314	11,244
Contractors & Consultants	-	-	4,976	4,976	4,976	-	4,976	19,904	18,212
Bank Charges	97	97	97	97	97	-	97	582	1,422
Depreciation	45,929	4,638	12,351	797	6,055	-	5,304	75,074	85,884
Mainline Connection Maintenance	-	-	452	-	-	-	-	452	1,355
Bad debt written off	-	-	-	-	12	-	-	12	44
Other Support Costs	4,512	2,050	2,460	2,460	2,460	-	2,460	16,402	24,622
<b>Total Support Costs</b>	<b><u>79,864</u></b>	<b><u>26,609</u></b>	<b><u>45,779</u></b>	<b><u>28,154</u></b>	<b><u>33,424</u></b>	<b><u>-</u></b>	<b><u>32,661</u></b>	<b><u>246,491</u></b>	<b><u>248,307</u></b>
<b>Governance costs</b>									
Audit Fees	1,258	1,258	1,258	1,258	1,260	-	1,258	7,550	7,302
Other governance costs	525	525	526	526	526	-	526	3,154	1,524
<b>Total governance costs</b>	<b><u>1,783</u></b>	<b><u>1,783</u></b>	<b><u>1,784</u></b>	<b><u>1,784</u></b>	<b><u>1,786</u></b>	<b><u>-</u></b>	<b><u>1,784</u></b>	<b><u>10,704</u></b>	<b><u>8,826</u></b>

**THE SCOTTISH RAILWAY PRESERVATION SOCIETY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)**

**for the year ended 31 December 2020.**

**9. Net (Expenditure)/Income for the Year**

This is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation	101,724	112,533
Loss on disposal of fixed assets	40	333
Gain on disposal of fixed assets	-	(16,118)
Management committee's remuneration	45,383	60,326
Auditor's remuneration:-		
Audit services	7,550	7,302

Two members of the Board of Trustees as permitted by the Society's Memorandum and Articles of Association received remuneration. The Business Development Director, Amanda Kilburn received payment under a contract of employment as Business Development Director of £29,417 (2019: £29,634) including employer pension contributions. The other member, Mark Ashmole, received remuneration as a Steam Workshop Manager of £15,966 (2019: £30,692) including employer pension contributions.

Seven members of the Board of Trustees received reimbursements of expenses during the year of £4,234 (2019: £6,688). Over 94% of these expenses were reimbursements for the purchase of equipment and consumables for the Society's use, the rest being for travel associated with the Society's business. The Directors are covered by Directors' Liability Insurance at a cost of £889 (2019: £884). The committee structure is such that the Society has no paid key management personnel.

**10. Staff Costs and Numbers**

	2020	2019
	Total	Total
	£	£
Salaries and wages	214,264	288,151
Social Security Costs	16,964	20,997
Pensions	8,221	9,626
Other staff costs	1,335	4,781
	<u>240,784</u>	<u>323,555</u>

No employee received emoluments of more than £60,000 in either the current or previous years.

The weekly average number of employees during the year, rounded to the nearest whole number was as follows:

	2020	2019
	Headcount	Headcount
Charitable activities	6	8
Trading activities	4	4
Administration staff	2	2
Total	<u>12</u>	<u>14</u>

**THE SCOTTISH RAILWAY PRESERVATION SOCIETY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 December 2020.**

**11. Government Grants**

Government grants totalling £215,721 were received from Falkirk Council, Museums Galleries Scotland, Historic Environment Scotland, and the HMRC Furlough Scheme.

**12. Taxation**

The charitable company is exempt from corporation tax on its charitable activities.

**THE SCOTTISH RAILWAY PRESERVATION SOCIETY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 December 2020.**

**13. Tangible Fixed Assets**

	Land	Assets Under Construction	Tenants Improvements	Scottish Railway Exhibition	Permanent Way	Locomotives	Carriages and Wagons	Plant and Machinery	Office Equipment	Total
<b>Cost</b>										
At 1 Jan 2020	100	23,138	2,337,510	192,282	462,037	145,711	155,189	69,310	59,062	3,444,339
Additions in year	-	-	-	-	-	-	-	-	-	-
Disposals in year	-	-	(12,000)	-	-	-	-	-	-	(12,000)
At 31 Dec 2020	<u>100</u>	<u>23,138</u>	<u>2,325,510</u>	<u>192,282</u>	<u>462,037</u>	<u>145,711</u>	<u>155,189</u>	<u>69,310</u>	<u>59,062</u>	<u>3,432,339</u>
<b>Depreciation</b>										
At 1 Jan 2020	-	-	1,653,676	192,275	327,235	-	-	63,543	58,255	2,294,984
Charge for year	-	-	82,832	-	12,351	-	-	5,747	794	101,724
Depreciation on Disposals	-	-	(9,960)	-	-	-	-	-	-	(9,960)
At 31 Dec 2020	<u>-</u>	<u>-</u>	<u>1,726,548</u>	<u>192,275</u>	<u>339,586</u>	<u>-</u>	<u>-</u>	<u>69,290</u>	<u>59,049</u>	<u>2,386,748</u>
<b>Net book value At 31 Dec 2020</b>	<u>100</u>	<u>23,138</u>	<u>598,962</u>	<u>7</u>	<u>122,451</u>	<u>145,711</u>	<u>155,189</u>	<u>20</u>	<u>13</u>	<u>1,045,591</u>
<b>Net book value At 31 Dec 2019</b>	<u>100</u>	<u>23,138</u>	<u>683,834</u>	<u>7</u>	<u>134,802</u>	<u>145,711</u>	<u>155,189</u>	<u>5,767</u>	<u>807</u>	<u>1,149,355</u>

**THE SCOTTISH RAILWAY PRESERVATION SOCIETY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 December 2020.**

**13. Tangible Fixed Assets (cont)**

Heritage Assets

Included within tangible fixed assets are heritage assets. No heritage assets were acquired or disposed of in 2020.

Locomotives, Carriages and Wagons and Small Artefacts are considered to be heritage assets as they are preserved as part of the heritage of the nation. The assets are held as part of a museum display to show the growth and development of the Scottish rail transport system from the inception of wagonways to the present day.

The table below summarises transactions relating to heritage assets for the current period and the previous four reporting periods.

Period	Transaction	Transaction Value £	Balance £	Proceeds £
At 1 Jan 2016			204,157	
Jan 2016 - Dec 2016	Disposals	( 5,000)	199,157	-
Jan 2017 - Dec 2017	Acquisitions	106,500	305,657	-
Jan 2018 - Dec 2018	No transactions	-	305,657	-
Jan 2019 - Dec 2019	Disposals	( 4,882)	300,775	20,667
	Acquisitions	125	300,900	-
Jan 2020 - Dec 2020	No transactions	-	300,900	

The policy for acquisition, preservation, management and disposal of heritage assets is set out in the Collection Management section of the Report of the Directors on page 4.

**14. Investments**

The sole trading subsidiary is SRPS Railtours Limited, a company registered in Scotland, whose principal activity is the operation of rail tours on the national network. The Society owns 100 £1 Ordinary shares, which represents the entire issued ordinary share capital of SRPS Railtours Limited. The aggregate capital and liabilities of SRPS Railtours at 31 December 2020 is (£25,088) compared to assets of £243,048 at 31 December 2019. The deficit for the year 1 January 2020 to 31 December 2020 is £32,450 (2019: surplus £235,686). Income for the year was £23,404 (2019: £686,461). Expenditure for the year was £55,854 (2019: £450,775)

In addition, the Scottish Railway Museum Trust (SRMT) may be regarded as a subsidiary undertaking by virtue of the Society's control of the trustees and the Scottish Railway Museum Collections Trust (SRMCT) by virtue of the fact that the Society has the right to nominate a majority of the trustees. Further information regarding these entities can be found in the Report of the Directors. SRMT has no assets and no income or expenditure and was wound up in January 2021. The SRMCT has no income or expenditure. It holds only heritage assets valued at £0.

**THE SCOTTISH RAILWAY PRESERVATION SOCIETY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 December 2020.**

**15. Cash and Cash Equivalents**

	At 31 Dec 2020 £	At 31 Dec 2019 £
Cash in Hand	20	390
Fixed Rate Bonds	88,151	86,670
Instant Access Bank Accounts	1,486,689	1,484,918
<b>Total</b>	<b><u>1,574,860</u></b>	<b><u>1,571,978</u></b>

**16. Debtors**

	At 31 Dec 2020 £	At 31 Dec 2019 £
Grants Receivable	108,173	-
Trade debtors	19,178	50,979
Sundry and prepayments	86,244	33,197
Amounts owed by group undertakings	75,000	-
Net VAT Recoverable	24,989	33,695
<b>Total</b>	<b><u>313,584</u></b>	<b><u>117,871</u></b>

**17. Creditors: Amounts Falling Due Within One Year**

	At 31 Dec 2020 £	At 31 Dec 2019 £
Trade Creditors	25,629	37,805
Other creditors and accruals	105,108	48,347
PAYE and National Insurance	-	5,813
Pensions	783	1,833
<b>Total</b>	<b><u>131,520</u></b>	<b><u>93,798</u></b>

**18. Creditors: Amounts Falling Due After One Year**

	At 31 Dec 2020 £	At 31 Dec 2019 £
Bo'ness & Kinneil Railway Company Ltd.	1,000	1,000

The Society continues to enjoy a long-term loan of £1,000 from the Bo'ness and Kinneil Railway at zero interest and no fixed terms for repayment.

**19. Contingent Assets**

As at 31 December 2020 the charity is aware of a significant legacy, the value of which cannot be accurately stated at this time.

**THE SCOTTISH RAILWAY PRESERVATION SOCIETY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 December 2020.**

**20. Commitments and Contingent Liability**

As at 31 December 2020 the Society is investigating whether a potential liability of up to £35,650 may have arisen in respect of a grant awarded by the National Heritage Memorial Fund in 1989.

**21. Movement in Funds**

	Opening Balance at 1 Jan 2020 £	Income £	Expenditure £	Transfers In £	Transfers Out £	Closing Balance at 31 Dec 2020 £
<b>Restricted funds</b>						
Life membership	12,559	-	( 1,078)	-	-	11,481
Special Project Fund						
Covid Recovery Fund	-	90,673	-	-	-	90,673
Landslide Fund	-	128,828	( 93,474)	-	-	35,354
Birkhill Signal Box	42,706	7,530	-	-	-	50,236
New Museum Entrance	-	15,000	-	-	-	15,000
Steaming Ahead	-	28,015	( 4,429)	-	-	23,586
Mark 1 Coaches	-	28,318	-	-	-	28,318
Railtour Coaches	1,282	13,913	( 15,195)	-	-	-
LNER Third Class Corridor (TK) Coach 10021	258	10,329	( 3,517)	-	-	7,070
G&SW Rolling Stock	5,256	8,802	( 2,303)	-	-	11,755
Morayshire	18,271	23,038	( 9,911)	-	-	31,398
Stanier 8F	42,243	16,773	( 1,036)	-	-	57,980
25235 Diesel Locomotive	-	8,039	( 4,906)	-	-	3,133
Other projects	29,145	9,252	( 1,686)	20,666	-	57,377
<b>Total restricted funds</b>	<u>151,720</u>	<u>388,510</u>	<u>( 137,535)</u>	<u>20,666</u>	<u>-</u>	<u>423,361</u>
<b>Unrestricted funds</b>						
Designated Funds						
Legacy Fund	952,565	6	-	-	-	952,571
Mainline connection	145,000	-	-	5,000	-	150,000
Railtour Services	-	15,873	( 15,873)	-	-	-
Fixed asset fund	1,149,355	-	( 101,724)	-	( 2,040)	1,045,591
General funds	<u>356,901</u>	<u>449,809</u>	<u>( 540,854)</u>	<u>2,040</u>	<u>( 25,666)</u>	<u>242,230</u>
<b>Total unrestricted funds</b>	<u>2,603,821</u>	<u>465,688</u>	<u>( 658,451)</u>	<u>7,040</u>	<u>( 27,706)</u>	<u>2,390,392</u>
<b>Total funds</b>	<u>2,755,541</u>	<u>854,198</u>	<u>( 795,986)</u>	<u>27,706</u>	<u>( 27,706)</u>	<u>2,813,753</u>

**2020 Fund Transfers**

Following a review of funds, the Directors have approved the following fund transfers.

- From the General Fund to the Mainline Connection designated fund the sum of £5,000.
- From the General Fund to the Heritage Collection Fund the sum of £20,666, being the proceeds of the disposal of heritage assets in 2019.
- From the Fixed Asset fund to the General Fund the sum of £2,040 being the proceeds of non-heritage assets in 2020.

**Life Membership Fund**

The Society has several categories of life membership. Members were invited to join for life and were then entitled to receive the Society's magazine and other benefits. All categories of life membership are now closed to new members. The reserve represents the balance of the funds available for the remaining years of life membership.

**Special Project Fund 2020**

The Restricted Income funds are funds primarily for the conservation, restoration and maintenance of the Society's heritage assets. Some funds have been received as a contribution to specific

**THE SCOTTISH RAILWAY PRESERVATION SOCIETY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 December 2020.**

departmental spending. Expenses are allocated to the fund as and when incurred on the work on the individual projects. A detailed breakdown of the fund balance can be obtained from the registered office. Funds forming part of the Special Project Fund with transactions greater than £5,000 in 2020 are described below. Funds with transactions of £5,000 or less are amalgamated within Other Projects.

***Covid Recovery Plan***

This fund based on a grant from Historic Environment Scotland was set up to provide funding for essential electrical work to a number of the Society's buildings. The fund will also allow the installation of Perspex screens on passenger coaches to meet social distancing rules as a result of the pandemic.

***Landslide Fund***

On the evening of Tuesday 11th and in the early hours of Wednesday 12th August, much of Scotland was battered by severe thunderstorms. During a subsequent inspection of the Bo'ness & Kinneil Railway, the Scottish Railway Preservation Society's Civil Engineer identified multiple landslips along approximately a mile-long stretch of the railway. The line was declared unfit for traffic and the railway closed to passenger trains. This fund was set up to provide funding for the estimated £100,000 repair cost.

***Birkhill Signal Box***

Birkhill Station building is an ex-Caledonian Railway Station relocated from Monifieth in Angus. At present it has a passing loop with two tracks. The plan is to build a brick and timber reconstruction of a typical Caledonian Northern Division signal box with associated signalling. This will allow two trains to pass one another and will make Birkhill a more authentic representation of a typical country station.

***New Museum Entrance***

The New Museum Entrance is another component in the Steaming Ahead project. It is a component part of improved accessibility to the Exhibition Galleries and includes space for limited catering. Construction started in 2021.

***Steaming Ahead***

The Scottish Railway Preservation Society has been awarded a second-round pass by the National Lottery Heritage Fund for its "Steaming Ahead" project. This will see the development of a new visitor route at the site in Bo'ness, based around a new steam engineering facility, with public access and interpretation along the route to a new entrance to the Museum of Scottish Railways. Construction started in January 2021 with capital works expected to be completed during the year.

***Mark 1 Coaches***

This fund provides funding for the care and maintenance of all Mark 1 coaches owned by the Society and the Scottish Railway Museum Collections Trust.

***Railtour Coaches Structural Fund.***

This fund provides funding for the essential structural strengthening of Mark 1 coaches used by SRPS Railtours on the main line.

***LNER Third Class Corridor (TK) Coach 10021***

This coach is a comfortable, high-quality carriage designed for long distance trains. It contains eight third class compartments, but seated only six passengers in each. This is the sort of carriage in which ordinary people would have travelled in the 1920s, journeying from London to Edinburgh or between Edinburgh, Dundee and Aberdeen. This fund receives grants and donations to provide funding for its restoration and subsequent care.

**THE SCOTTISH RAILWAY PRESERVATION SOCIETY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 December 2020.**

***G&SW Rolling Stock***

The Society and the SRMCT own a number of carriages and wagons from the Glasgow and South West Railway. This fund provides a contribution towards the restoration and care of these vehicles.

***LNER Locomotive No 246 Morayshire***

The Society was given on loan LNER No.246 Morayshire by National Museums Scotland for the purpose of restoration to running order and operation on the Bo'ness and Kinneil Railway and other preserved railways. The reserve represents funds being gathered for the ongoing conservation and maintenance process.

***LMS Designed Stanier 8F locomotive No. 45170***

This locomotive was purchased in February 2017 from donations. The fund balance will be used for the restoration of the locomotive.

***Class 25 Diesel Locomotive No. 25235***

In total 327 locomotives of this class were built between 1961 and 1967 and many saw service within Scotland. This locomotive has had twenty years of service at the Bo'ness and Kinneil Railway. Now in need of an overhaul, the fund was set up to return the locomotive to traffic.

**Unrestricted Designated Funds**

***Legacy Fund***

This fund was set up to hold legacies that were received with no specific instructions as to how they were to be used. The Directors have designated these funds as match funding for future capital projects, and specifically the steam shed workshop and Bo'ness Station Extension.

***Mainline Connection Fund***

The mainline connection renewal is an obligation of the Bo'ness & Kinneil Railway Company, the owners of the land, to Network Rail to replace the connection when required. The Directors are of the view that the Society may be required to meet the obligation to ensure a connection in the future and have therefore created a designated fund.

***Railtour Services***

The Railtour fleet of coaches are heritage assets and the fund is used to provide services which enable the Railtour Company to conserve, restore and maintain the fleet for use on the national railway network.

***Fixed Assets Fund***

The Fixed Asset designated fund reflects the net book value of unrestricted fixed assets.

The figures for the previous year are given on the next page.

**THE SCOTTISH RAILWAY PRESERVATION SOCIETY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 December 2020.**

	Opening Balance at 1 Jan 2019 £	Income £	Expenditure £	Transfers In £	Transfers Out £	Closing Balance at 31 Dec 2019 £
<b>Restricted funds</b>						
Life membership	13,637	-	( 1,078)	-	-	12,559
<b>Special Project Fund</b>						
Birkhill Signal Box	24,472	18,234	-	-	-	42,706
Restoration Fund	27,103	2,721	-	-	( 29,824)	-
Steam Workshop	10,036	705	( 82,089)	71,348	-	-
Haymarket Train Shed	-	-	( 29,824)	29,824	-	-
Buffet Extension	9,394	-	( 71,382)	61,988	-	-
New Museum Entrance	-	-	( 10,525)	10,525	-	-
Birkhill Footbridge	8,899	-	( 35)	-	( 5,534)	3,330
Curator Project	4,886	-	( 4,886)	-	-	-
Steaming Ahead	42,571	-	( 152)	-	( 42,419)	-
Steam Locomotive CR419	15,327	1,026	( 16,353)	-	-	-
Morayshire	-	1,125	17,146	-	-	18,271
Stanier 8F	33,189	16,082	( 7,028)	-	-	42,243
25235 Diesel Locomotive	-	1,450	( 1,450)	-	-	-
Other projects	29,036	9,773	( 6,198)	-	-	32,611
<b>Total restricted funds</b>	<u>218,550</u>	<u>51,116</u>	<u>( 213,854)</u>	<u>173,685</u>	<u>( 77,777)</u>	<u>151,720</u>
<b>Unrestricted funds</b>						
<b>Designated Funds</b>						
Legacy Fund	1,053,833	174	-	-	( 101,442)	952,565
Mainline connection	140,000	-	-	5,000	-	145,000
Railtour Services	-	59,547	( 59,547)	-	-	-
Fixed asset fund	1,261,111	5,659	( 112,533)	-	( 4,882)	1,149,355
General funds	469,575	818,242	( 936,332)	10,416	( 5,000)	356,901
<b>Total unrestricted funds</b>	<u>2,924,519</u>	<u>883,622</u>	<u>( 1,108,412)</u>	<u>15,416</u>	<u>( 111,324)</u>	<u>2,603,821</u>
<b>Total funds</b>	<u>3,143,069</u>	<u>934,738</u>	<u>( 1,322,266)</u>	<u>189,101</u>	<u>( 189,101)</u>	<u>2,755,541</u>

### Special Project Fund 2019

Funds forming part of the Special Project Fund with transactions greater than £5,000 in 2019 and not already described in the 2020 list are as follows.

#### *Restoration Fund*

The Society owns a number of grade A listed structures which have been transported from their original location, such as the Haymarket Train Shed, the Bo'ness footbridge, Wormit Station, and the Bo'ness Signal Box. This fund is available to assist in the maintenance and restoration of these structures.

#### *Steam Workshop*

The Steam Workshop is a major component in the Steaming Ahead project. The 60m by 20m workshop design includes a viewing gallery, Visitor Experience Area and customer toilets. Construction started in January 2021.

#### *Haymarket Train Shed*

This fund allows grants and donations to be received specifically for the restoration and maintenance of the train shed at Bo'ness which was originally located at Haymarket in Edinburgh. In 2019 the Shed was repaired and painted at a cost in excess of £36,000.

**THE SCOTTISH RAILWAY PRESERVATION SOCIETY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 December 2020.**

***Buffet Extension***

The existing Station Buffet is phase 1 of a planned development of visitor facilities. The extension fulfils the intended requirements for the original includes proposal and includes a larger retail area, additional toilets and a large waiting room. The upper floor provides additional office space. The project is on hold pending the assessment of the impact of Covid-19 on the Society's finances

***Birkhill Footbridge***

In 2016 Network Rail offered the SRPS the ex- Caledonian Railway footbridge from West Calder. The footbridge was delivered in 2018. Funded by a grant from the Railway Heritage Trust, the footbridge has been refurbished and was erected at Birkhill during 2019. It is expected to be commissioned in 2021.

***Curator Project***

The Society has a large collection of artefacts that need to be accessioned and catalogued. This fund allows the employment of an assistant curator to carry out this work, and to provide curatorial training for volunteers.

***Caledonian Tank Locomotive No. 419***

This steam locomotive appears on the Society's logo. Following a nine-year restoration, the locomotive entered traffic in 2018. The fund part-funded the restoration. Future donations are used for the on-going maintenance and subsequent major overhaul in 2028.

**2019 Fund Transfers**

Following a review of funds, the Directors have approved the following fund transfer in 2019.

- From the General Fund to the Mainline Connection designated fund the sum of £5,000.
- From the Birkhill Footbridge fund to the General Fund and hence to Assets Under Construction the sum of £5,534.
- From the Restoration Fund to the Haymarket Train Shed Fund the sum of £29,824 as a contribution to the painting of the Shed.
- From the Fixed Asset Fund to the General Fund the sum of £4,882 being the proceeds of the sale of assets.
- From the Steaming Ahead Fund to the Steam Workshop Fund the sum of £42,419 as a contribution to the design costs of the Workshop.
- From the Legacy Fund to the Steam Workshop Fund the sum of £28,929 as a contribution to the design costs of the Workshop.
- From the Legacy Fund to the Museum Entrance fund the sum of £10,525 being the design cost of the Museum Entrance.
- From the Legacy Fund to the Buffet Extension Fund the sum of £61,988 as a contribution to the design cost of the building.

**22. Analysis of Net Assets Between Funds**

	General Funds	Designated Funds	Restricted Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	1,045,591	-	1,045,591
Investments	100	-	-	100
Net Current Assets	243,130	1,102,571	423,361	1,769,062
Long term loan	(1,000)	-	-	(1,000)
Net assets at 31 Dec 2020	<u>242,230</u>	<u>2,148,162</u>	<u>423,361</u>	<u>2,813,753</u>

**THE SCOTTISH RAILWAY PRESERVATION SOCIETY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 December 2020.**

The comparable figures for 2019 are as shown below.

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	-	1,149,355	-	1,149,355
Investments	100	-	-	100
Net Current Assets	357,801	1,097,565	151,720	1,607,086
Long term loan	( 1,000)	-	-	( 1,000)
Net assets at 31 Dec 2019	<u>356,901</u>	<u>2,246,920</u>	<u>151,720</u>	<u>2,755,541</u>

**23. Company Limited by Guarantee**

The members of the Society are obliged to contribute £2 each in the event of the company being wound up.

**24. Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities**

	2020 £	2019 £
Net movement in funds	58,212	( 387,528)
Add back in depreciation charge	101,724	112,533
Add back in loss on disposal of tangible fixed assets	40	333
Deduct gift aid distribution from subsidiary	( 235,686)	( 119,949)
Deduct interest income shown in investing activities	( 3,200)	( 4,522)
(Increase)/decrease in stock	( 1,103)	( 127)
(Increase)/decrease in debtors	( 195,713)	112,031
Increase/(decrease) in creditors	37,722	( 37,455)
<b>Net cash (used in) /provided by operating activities.</b>	<b><u>( 238,004)</u></b>	<b><u>( 324,684)</u></b>

**25. Related Party Transactions**

During the year, the Society recharged expenses of £28,136 (2019: £90,436) to SRPS Railtours Limited, a 100% owned subsidiary, and SRPS Railtours Limited recharged expenses of £14,874 (2019: £152) to the Society of which £nil was outstanding at the year end. In addition, the Society made a loan of £75,000 (2019: £nil) to SRPS Railtours Limited as the company was unable to operate any excursions in the year due to Covid-19 restrictions, of which £75,000 (2019: £nil) was outstanding at the year end.

Sales of £13,680 (2019: £9,689) were made to 6LDA in the year of which £nil (2019: £1,397) was outstanding at the year end. Stuart Sellar, director of SRPS and SRPS Railtours Limited, and Neil McDonald, director of SRPS Railtours Ltd, are shareholders of 6LDA.

Sales of £1,820 (2019: £2,080) were made to Artemis Intelligent Power Ltd in the year of which £2,184 (2019: £1,872) was outstanding at the year end. The son of James Robertson, a director of SRPS and SRPS Railtours Limited, is a director of the company.

Sales of £1,023 (2019: £2,706) and purchases of £nil (2019: £216) were made to the Scottish 37 Group (STG) in the year of which £nil (2019: £260) was outstanding at the year end. Neil McDonald, director of SRPS Railtours Ltd, was a director of STG until 1 February 2020.

**THE SCOTTISH RAILWAY PRESERVATION SOCIETY**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)**

**for the year ended 31 December 2020.**

Purchases of £nil (2019: £1,800) were made from the Edinburgh Society of Model Engineers in the year of which £nil (2019: £nil) was outstanding at the year end. James Robertson, director of SRPS and SRPS Railtours Limited, is a director of the Edinburgh Society of Model Engineers.

Sales of £ nil (2019: £500) were made to the Locomotive Owners Group (Scotland) (LOGS) in the year of which £nil (2019: £600) was outstanding at the year end. David Morrison, director of SRPS until 21 January 2020, is a shareholder of LOGS and Mark Ashmole, director of SRPS until 17 July 2020, and James Verth, director of SRPS, are directors of LOGS.

No one individual had control over the charity during either the current or previous year.

**26. Non-adjusting Event Occurring after the end of the Reporting Period**

The Trustees recognise that Covid-19 has already had a big impact on the Society's finances and it will continue to do so until at least 2024. During 2020 neither the Bo'ness and Kinneil Railway, nor the Museum of Scottish Railways were able to open. Furthermore, the mainline excursions operated by SRPS Railtours Ltd could not run. It is expected that disruption will continue as long as social distancing will be required. Some services at reduced capacity are now operating at the date of signing these accounts. The Board is actively managing its cash flow and is updating its 3-year forecast on a quarterly basis as the regulations change and the perception of public behaviour post Covid change. The Society has benefitted greatly from the various UK and Scottish Government funds recovery grants and the support has continued into 2021. As a result the forecast in the 2020 accounts that the free reserves would have fallen to £56k by the end of 2020 was over pessimistic with the outcome being £242k at 31 December 2020. These accounts have been prepared on an ongoing basis on the grounds that it is expected that although recovery may be slow, the Society will weather the storm with prudent management of finances.

**27. Securities**

As a condition of the grant awarded by NHLF towards the cost of the Steaming Ahead project, SRPS was required to grant in favour of the Trustees of the National Heritage Memorial Fund a first ranking standard security over the two ground leases held by SRPS from Falkirk Council over the site at Bo'ness, to secure the obligations of SRPS under the terms of the grant. The standard security was granted on 10 March 2020 and has since been registered in the Land Register of Scotland.