

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

Report and Financial Statements

Year ended 31 December 2021

Charity No : SC002375

Company No : SC055533

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THE SCOTTISH RAILWAY PRESERVATION SOCIETY

REPORT OF THE DIRECTORS

for the year ended 31 December 2021.

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 2021.

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

Despite the trading uncertainties and constraints of the pandemic the year saw some notable successes:

- Commencing and completion of the capital part of a modified Steaming Ahead Project
- Recruitment of staff and apprentices as part of the Steaming Ahead Project.
- Modification of coaches to maximise seating capacity within Covid regulation on the Bo'ness and Kinneil Railway and the Raitour coaches.
- Commencing revenue earning services for both standard days and also Santa Specials assisted by the implementation of on-line ticketing.
- Continuing the upgrade programme of the Raitour mainline coaches.

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 Raitours, a subsidiary undertaking which runs mainline rail excursions throughout the UK and manages the retail operations.

Achievements and Performance

In May 2021 the Society was able to run revenue earning services for the first time in nearly 17 months. Due to the uncertainties of the Covid situation in the first quarter of the year, the Board decided that it would not be possible to run services safely at least until May. This also gave The Society time to fit screens on the seatbacks which enabled us to increase the number of passengers whilst maintaining social distancing. After some trials in early May the first paying passenger services were run on the last weekend of May. It was also the first trial of on-line ticketing (OLT). This proved to be beneficial as it allowed remote and contactless payments thereby preventing build ups of visitors at the booking office. OLT also enabled us to more

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easily conform to Covid regulations such as providing details of visitors, controlling passenger numbers and preventing mixed household seating. The Covid regulations put extra pressure on the requirement for volunteers as extra staff were required to control access to the site and the platform, and on-board stewards were also required for passenger supervision and control as well as inter service cleaning of carriages and tables. It should also be remembered that although the vaccine programme was well under way volunteers were still working in an uncertain environment.

Because of the late start to the season and also limitations on numbers it wasn't possible to run spring, summer or autumn events which provide greater income than standard days, such as Day Out with Thomas and Galas. The one exception was the opportunity to hire visiting Steam locomotive *Tornado* to operate on the Bo'ness and Kinneil Railway for a day. Two historic carriages were added to the standard train with the opportunity to get tea and coffee. The event was all but sold out, making a respectable profit. The way the Santa Specials had been run in previous years was altered to suit the need for limited contact and social distancing with Santa. We were able to use a First Class compartment coach and charge a supplement. The whole event proved very popular and was a financial success, although with the reduced capacity, income was less than previous years.

The appearance of the Omicron variant did cause some last minute passenger cancellations which fortunately were filled from a waiting list. Had the variant come earlier there was a risk that some or indeed all of the services would have been cancelled. As it was, the winter diesel gala day was severely compromised by the Scottish Government's post-Christmas restrictions and in order to comply with social distancing the bookings had to be suspended and extra carriages put on the train. This also had to be done for the Black Buns reducing income and increasing costs, but none-the-less making a welcome profit.

With regard to Steaming Ahead the main achievements on the capital works front has been to get the new Engineering Workshop & Museum Entrance constructed. The original plan had been to start construction in January and complete it in early summer. Due to shortages of materials resulting from the general opening up of the economy and consequent universal demand from the construction industry the completion was delayed until the autumn. Apart from the time delay, which was beyond the control of the contractor, the contract was satisfactorily completed to the budget allocated.

The workshop, as well as providing 21st century facilities for the staff and volunteers, will have information areas and a viewing gallery to enable visitors to see and understand the work going on behind the scenes without which the railway could not operate. The construction of the Workshop allowed the recruitment of two apprentices as part of the Steaming Ahead project. The engineering apprentices, whose academic training will be funded by Falkirk Council, will learn the necessary skills to overhaul and maintain steam locomotives and other historic vehicles. It will also provide the opportunity for skills development for new and existing volunteers.

This new workshop has been generously supported by the National Lottery Heritage Fund (NLHF) and has enabled extra facilities, such as the viewing gallery, which would otherwise have not been possible with the Society's maximum contribution of £500,000 to the Steaming Ahead Project.

Similarly, the new entrance to the museum will allow an easier and more attractive entrance to the museum and provide space for information and presentations. In addition, there will be seating, tables and facilities to provide refreshments in the entrance area. This facility would

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not have been possible without the support of Museums Galleries Scotland. In association with the capital work the new path from the West End Crossing (due to be completed in March) and existing footbridge to the museum entrance has been constructed. All the associated realignment of the track work has also been completed allowing the workshop to be fully functioning and together with the museum entrance due to be officially opened in early March.

The Steaming Ahead project included the recruitment of an activities co-ordinator, who will be responsible for creating a programme of activities which will identify and attract new audiences for the museum as well as engaging with the local community. Likewise, a volunteer coordinator who will be responsible for creating a volunteer development plan and policies which will assist in identifying and attracting new volunteers as well as supporting the existing volunteers has also been recruited as part of Steaming Ahead.

The strategy from 2020 of concentrating on projects with long term benefits has been continued and we are continuing to fund the upgrade of the Railtour mainline MK1 coaches especially concentrating on the First Class which is considered the way forward within the rail touring industry. Although there are still regulatory uncertainties regarding running these coaches on the main line, it's considered necessary to carry out this work in order to have the coaches available as soon as possible for revenue earning use. At the same time this work is seen as enhancing the asset value of the coaches.

Museum of Scottish Railways

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 2021 due to the building works for NLHF Steaming Ahead Project. However, the museum was awarded a number of grants by Museums Galleries Scotland which allowed us to continue to improve the museum. We updated all the lighting to LEDs including in our Travelling Sorting Office & the Duke of Sutherland's carriage, the Display Shelter walkway was tarmacked to increase accessibility and our exhibition boards have been refreshed. The new museum entrance will provide a heated space for visitors, volunteers and staff. The space will allow us to extend the museum opening season and provide a warm space for visitors to enjoy a selection of refreshments. This will help to increase dwell time and draw in new visitors to the museum. The new crossing over the railway will improve accessibility to the museum and reduce the barriers to access which have plagued the museum. Our biggest hurdle going forward into 2022, will be increasing visitor numbers after being closed for two years. However, we have a full schedule of additional activities to encourage visitors to return to the site and we have plans to further develop the visitor offer.

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. We are awaiting confirmation of the reaccreditation timetable. However, provisionally we are looking at reaccreditation taking place in December 2022. Museum Galleries Scotland will provide us with six months to prepare before our reaccreditation assessment.

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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, 30,000 photographs and 7,000 books.

The collection is documented in accordance with the requirements of Accreditation in line with the Spectrum standards. The collections database is stored in proprietary software called Adlib that is increasingly becoming the standard software for Scottish museums. Each object has a unique accession number and storage location information as well as detailed description fields.

Accessibility to the collection is still an issue with less than 10% of the collection on display in the museum. 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 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

On 2 July 2021 the SRPS Railtour coaches, on hire to the Branch Line Society, made their first revenue generating excursion of the year to a number of locations in the north of England. This was followed on 20 July with a diesel hauled excursion from Linlithgow to York and the return journey via the Settle and Carlisle line behind steam locomotive No. 60163 *Tornado* owned by the A1 Locomotive Trust.

This was followed by eight Premier Dining excursions run by the A1 Trust. These excursions ran from Edinburgh to Aberdeen hauled by *Tornado* using SRPS Railtour coaches. The season was closed off with three excursions run by SRPS Railtours to Kyle of Lochalsh on 2 October, Glenfinnan on 9 October and Skipton on the 20 October.

The gift shop at Bo'ness was unable to open until 28 August 2021. Display units were rearranged to create a one-way visitor flow, acrylic screens were installed at the cash desk, card payments were encouraged and a CO₂ monitor was installed to ensure that the ventilation was adequate.

Direct access to the Buffet through the shop was closed off to prevent overcrowding. The result was a much less crowded gift shop; sales per passenger increased by 31% with no increase in prices. The Black Bun Specials sales per passenger were 42% up on 2019 figures.

This ties up with an observation at a recent ASVA Webinar that whilst many tourism destinations were experiencing fewer visitors, the visitors themselves enjoyed the lack of crowds and queuing for service. The phrase "Value not Volume" was seen to be the post pandemic mantra.

Overall, SRPS Railtours Ltd made a profit of £63,042 (2020: loss of £32,450) on a turnover of £230,593 (2020: £23,197).

Financial Review

The Society's finances were strongly influenced by three exceptional factors in 2021. First of all, the Covid-19 pandemic continued to have a negative effect on visitors and revenues although there was a partial recovery towards the end of the year. Secondly the Society was in receipt of its largest legacy ever, over £600,000. This was added to the designated Legacy

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Fund, as have all legacies received since 2012. The purpose of this fund is to provide partnership funding for capital projects. Finally, as reported in 2020, the Society was awarded a £975,800 grant from the National Lottery Heritage Fund for the multi-faceted Steaming Ahead project. Work started on the construction of the new Steam Workshop and Museum Entrance in January 2021. Both buildings were completed in December, allowing the recognition of over £700,000 of grant income from the NLHF and MGS. In keeping with the role of the Legacy fund, the Society's contribution to the Steaming Ahead project was transferred from the Legacy Fund to a designated Steaming Ahead Fund.

As a result of these factors built upon the regular business, the balance sheet shows remarkable growth but the free reserves continue to decline although at a much lower rate than forecast at the beginning of 2021.

The key performance indicators are shown in the Statement of Financial Activities (SOFA), Statement of Cash Flows and the Balance Sheet on pages 20 to 22. The surplus for the year was £1,012,041 (2020: £58,212).

Total funds increased to £3,825,794 (2020: £2,813,753). Unrestricted funds, including fixed assets increased to £3,540,526 (2020: £2,390,392) whilst restricted funds decreased to £285,268 (2020: £423,361). Free reserves fell to £107,427 (2020: £242,230). Although this is below the policy target of £350,000, it is better than anticipated, given the impact of Covid-19.

Capital Investments

During 2021 capital investments were made of £1,145,813 (2020: Nil). During the year three heritage assets were transferred to the Scottish Railway Museum Trust at no cost and thus recorded a book loss of £1,125 (2020: loss of £40).

Donations and Legacies

In 2021 the Society legacies totalled over £619,000. In addition, donations, memberships, and Gift Aid totalled £140,717 (2020: £303,812). This decrease was expected since the 2020 figure included an exceptionally successful appeal to repair landslide damage to the Bo'ness and Kinneil Railway.

Income from Charitable Activities

Unrestricted grants were primarily Covid Recovery funding and the Society is very grateful for the support of several organisations. Without the £100,748 (2020: £97,603) the Society would have had to make stringent cuts to its operations and future development plans. There are healthy signs of recovery from the financial impact of Covid with Facilities hire showing income of £91,634 (2020: £11,767).

Because of the construction works in and around the museum, it was not possible to open the Museum of Scottish Railways in 2021.

Other Trading Activities

Once again there are signs of recovery with train operations income of £272,701 (2020: £3,931). However, this is still only 58% of the 2019 income from train operations of £471,973.

SRPS Railtours Distribution of Profits

Transfer of the profits occur on the year after they are earned. Since SRPS Railtours made a loss in 2020 no payment was made in 2021 (2020: £235,686).

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Expenditure

Sustainability has always been an important consideration for the Society, but as a consequence of the pandemic and the loss of almost 90% of its traditional sources of income, sustainability took on a new urgency. Overall expenditure was £1,019,717 (2020: £795,986).

Direct costs are incurred in raising funds and charitable activities but in addition there are significant support costs such as insurance, energy, finance and IT. Furthermore, many of the projects and activities are supported by funds raised for a particular purpose, and these cannot be used for support or other purposes.

Attention therefore focussed on the free reserves also known as the General Fund and its uses. General Fund expenditure increased in 2021 to £637,843 (2020: £540,000). This was in part due to the cost of opening up. The cost of operating the train service on the Bo'ness & Kinneil Railway increased from £14,732 with only two days of operation in 2020 to £41,442 in 2021 with 90 days of operation. Other costs of providing the special events were also funded from the General Fund but with train fares of £272,701 (2020: £3,931) it was a worthwhile expenditure.

Another large increase was due to the ramping up of the Railtour Set Structural Integrity Project, a necessity if the Society is to operate its Mark 1 coaches on the mainline after 2023.

Support costs with expenditure from the General Fund excluding depreciation were reduced to £165,499 (2020: £224,848).

Overall, the General Fund expenditure exceeded the General Fund income by £130,928 (2020: £91,045) but this was a better performance than expected although there is much work still to be done in 2022 and beyond to recover from the impact of the pandemic.

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 past two years. Hundreds of hours of work were undertaken by volunteers working in their own homes and on site. Substantial work was required to keep up to date with regulations and guidance and translate these into new methods of safe working. 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 usual” work that allows the Society to function, and in undertaking vital work on the Bo'ness site, including the restarting of train services and SRPS Railtours operations.

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.

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Reserves policy and going concern

The unrestricted reserves of the charity amount to £3,540,526 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 £107,427 (2020: £242,230). 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. It was anticipated that the purpose of the Legacy Fund may have had to be expanded to cover non-capital works and even cover the day to day running costs. In the event this was not required.

The directors had previously 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 capital works of the Steam Workshop, new Museum Entrance and Assets under Construction have been added to this fund which now stands at £2,096,222 (2020: £1,045,591).

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 Raitours. These income streams were severely affected by an extended loss of the use of the railway track as proved true in 2020 and 2021. As a consequence of the pandemic 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;
- 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.

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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.

We also now have a clearer understanding of the effect the pandemic had in 2021 and will have during 2022 and in the years thereafter. Many of the certainties upon which we have been able to plan no longer hold true. The Board will continue in 2022 to 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 that our free reserves return to the pre-pandemic level. The SRPS will continue to seek capital grants and revenue funding for specific short-term initiatives and look to increase fundraising by way of donation for specific projects.

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 and museum 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.

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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.

Trustees who are also directors of a company limited by guarantee are appointed as described in the Articles of Association. Up to 15 Trustees can be appointed. These are

- Four Principal Office bearers: Chair, Vice-chair, General Secretary and Treasurer or Finance Director.
- 7 directors elected to chair principal subcommittees
- 2 directors elected as non-executive trustees
- An executive director who is remunerated and an ex officio member of the Board.
- An additional non-executive director appointed by the Board

Prospective candidates have a wide range of existing skills so induction and training are customised to bridge knowledge gaps in the responsibilities for directors in relation to the Companies Act, Charity Law, the Health and Safety Act, the operation of a registered museum and management of a collection of national importance. The core guidance is the OSCR document "Guidance and Good Practice for Charity Trustees" available on line from the OSCR website.

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 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 6 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

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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.
- 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 2021 or subsequently appointed :

Stephen Humphreys	Chairman Resigned 23 July 2021
James Verth	Vice-Chairman Resigned 23 July 2021
David Roderick	Honorary Secretary
Iain Anderson	Vice chairman from 23 July 2021
Christopher Farrell	Resigned 7 February 2022
Andrew Fowler	
Geoff Arthur Garner	Resigned 23 July 2021
Simon Hindshaw	Appointed 20 January 2022
Amanda Kilburn	
Martin McInnes	
James Robertson	
Calum Sellar	Appointed 23 July 2021
Stuart Sellar	

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Company Secretary

David Roderick

Registered Company Number

SC055533

Registered Office

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Bo'ness,

West Lothian

EH51 0AQ.

Operational Address

Bo'ness Station,

Union Street,

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West Lothian

EH51 9AQ.

Senior Statutory Auditor

Kevin Cattanach

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

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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 was closed to new members from 1 January 2020 and to existing members reaching age 60 on or after that date.

THE SCOTTISH RAILWAY PRESERVATION SOCIETY
REPORT OF THE DIRECTORS
for the year ended 31 December 2021.

As at 31 December 2021 the breakdown of membership grades was as shown in the table below.

Grade	Number of Memberships	Number of Voting Members
Ordinary	398	398
Retired	469	469
Associate	71	71
Family	55	98
Junior	9	0
Group	0	0
Life	160	160
Family Life	17	26
Premier Life	61	61
Premier Family Life	14	25
Honorary	27	27
TOTAL	1,281	1,335

Movement Category	Number of Memberships	Number of Members eligible to vote
New + Lapsed (rejoined)	+66	+66
Resigned	-15	-18
Lapsed (net)	-31	-34
Deceased	-18	-18
Gone away (net)	0	0
Net effect of changes between Family / Ordinary Grades/Juniors/Honorary	-1	+3
NET INCREASE/DECREASE	+1	+1

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

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REPORT OF THE DIRECTORS

for the year ended 31 December 2021.

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 390 members or 29% 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. Work on revising and updating the Safety Management System continued throughout the year. A satisfactory inspection was conducted by the Office of Rail and Road in 2021. 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. 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 NLHF 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. 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

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for the year ended 31 December 2021.

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.

Increasing public expectations

Public expectations of a visitor attraction are evolving and the Society needs to adjust its products and services 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 2020. 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 2021 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 27 June 2022 and signed on its behalf



IAIN ANDERSON

Director and SRPS Vice Chairman

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 2021

Opinion

We have audited the financial statements of The Scottish Railway Preservation Society (the 'charitable company') for the year ended 31 December 2021, 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 United Kingdom Accounting Standards, including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Accounting Generally Accepted Accounting Practice).

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 2021 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 Companies Act 2006, 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 the directors of the company for company law purposes) 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

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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 contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 themselves. 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.

Opinions on matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report, prepared for the purposes of company law and included in the report of the trustees, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, included with the report of the trustees, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 in the report of the trustees'.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, 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:

- adequate and proper accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records; or

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND DIRECTORS OF

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- Certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report, included within report of the trustees, and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity 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 under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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.

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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND DIRECTORS OF

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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 and expenditure 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.

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.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and the trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, 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 members those matters we are required to state to them in an auditor's 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



27 June 2022

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

Whitelaw Wells is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE SCOTTISH RAILWAY PRESERVATION SOCIETY

Company No. SC055533

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income and endowments from:					
Donations and legacies	2	667,719	92,257	759,976	303,812
Charitable activities	3	197,382	778,317	975,699	276,579
Other trading activities	4	291,637	1,228	292,865	32,790
Gift aid distribution from subsidiary		-	-	-	235,686
Investments		1,374	-	1,374	3,200
Other		241	1,603	1,844	2,131
Total		1,158,353	873,405	2,031,758	854,198
Expenditure on:					
Raising funds	5,6	232,831	2,103	234,934	185,834
Charitable activities	7,8	532,374	252,409	784,783	610,152
Total		765,205	254,512	1,019,717	795,986
Net Income / (expenditure) before transfers		393,148	618,893	1,012,041	58,212
Transfers between funds	21	756,986	(756,986)	-	-
Net movement in funds		1,150,134	(138,093)	1,012,041	58,212
Total funds brought forward		2,390,392	423,361	2,813,753	2,755,541
Total funds carried forward		3,540,526	285,268	3,825,794	2,813,753

The notes on pages 23 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 2021.

	Note	Dec 2021 £	Dec 2021 £	Dec 2020 £	Dec 2020 £
Fixed assets					
Tangible assets	13		1,796,447		744,691
Heritage assets	13		299,775		300,900
Investments	14		100		100
			<u>2,096,322</u>		<u>1,045,691</u>
Current assets					
Stock		8,960		12,138	
Debtors	16	511,050		313,584	
Cash at bank and in hand	15	1,286,318		1,574,860	
			<u>1,806,328</u>	<u>1,900,582</u>	
Creditors: Amount falling due within one year	17	<u>(75,856)</u>		<u>(131,520)</u>	
Net current assets			<u>1,730,472</u>		<u>1,769,062</u>
Total assets less current liabilities			3,826,794		2,814,753
Creditors: Amount falling due after more than one year	18		(1,000)		(1,000)
			<u>3,825,794</u>		<u>2,813,753</u>
Unrestricted funds					
Designated funds	21		3,433,099		2,148,162
General fund	21		107,427		242,230
Restricted funds	21		285,268		423,361
Total funds			<u>3,825,794</u>		<u>2,813,753</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 23 to 40 form part of the financial statements.

Approved by the Board of Trustees on 27 June 2022 and signed on its behalf by:

Iain Anderson
Director and SRPS Vice Chairman

THE SCOTTISH RAILWAY PRESERVATION SOCIETY

Company No. SC055533

STATEMENT OF CASH FLOWS for the year ending 31 December 2021

	Note	2021 £	2020 £
Cash provided by / (used in) operating activities	24	<u>857,023</u>	<u>(238,004)</u>
Cash flows from investment activities			
Interest income		1,374	3,200
Gift Aid distribution from Subsidiary		-	235,686
Purchase of tangible fixed assets		(1,146,939)	-
Disposal of assets		1,125	2,040
Loss on disposal of assets		<u>(1,125)</u>	<u>(40)</u>
Cash (used in) / provided by investing activities		<u>(1,145,565)</u>	<u>240,886</u>
(Decrease)/increase in cash and cash equivalents in the year			
		<u>(288,542)</u>	<u>2,882</u>
Cash and cash equivalents at the beginning of the year		1,574,860	1,571,978
Total cash and cash equivalents at the end of the year	15	<u><u>1,286,318</u></u>	<u><u>1,574,860</u></u>

THE SCOTTISH RAILWAY PRESERVATION SOCIETY
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2021.

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). A copy of these accounts can be obtained from the Society's Registered Office given on page 11. 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

THE SCOTTISH RAILWAY PRESERVATION SOCIETY
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2021.

Motor Vehicles

5 years

- 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 2021.

2. Donations and legacies

	Unrestricted 2021 Funds £	Restricted 2021 Funds £	Total 2021 Funds £	Unrestricted 2020 Funds £	Restricted 2020 Funds £	Total 2020 Funds £
General Donations	18,907	78,764	97,671	45,446	190,350	235,796
Legacies	619,259	-	619,259	6	-	6
Gift Aid	7,245	13,493	20,738	13,001	35,856	48,857
Railtour raffles	2,862	-	2,862	-	-	-
Membership subs	19,446	-	19,446	19,153	-	19,153
Total donations and legacies	667,719	92,257	759,976	77,606	226,206	303,812

3. Income from Charitable Activities.

	Unrestricted 2021 Funds £	Restricted 2021 Funds £	Total 2021 Funds £	Unrestricted 2020 Funds £	Restricted 2020 Funds £	Total 2020 Funds £
Museum admissions	-	-	-	218	-	218
Grants and Joint Working						
Agreements received	100,748	778,317	879,065	97,603	161,991	259,594
Rolling stock hire	5,000	-	5,000	5,000	-	5,000
Facilities hire	91,634	-	91,634	11,767	-	11,767
Total charitable activities	197,382	778,317	975,699	114,588	161,991	276,579

4. Other Trading Activities

	Unrestricted 2021 Funds £	Restricted 2021 Funds £	Total 2021 Funds £	Unrestricted 2020 Funds £	Restricted 2020 Funds £	Total 2020 Funds £
Train operations	272,701	-	272,701	3,931	-	3,931
Retail	-	1,228	1,228	3	25	28
Catering	7,230	-	7,230	2,000	-	2,000
Other Fundraising Activities	11,706	-	11,706	26,831	-	26,831
Total other trading activities	291,637	1,228	292,865	32,765	25	32,790

THE SCOTTISH RAILWAY PRESERVATION SOCIETY
NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2021.

5. Fundraising Costs

	Membership Costs	Fundraising Trading	Fundraising Publicity	Railtour Fundraising	Total Fundraising Expenditure 2021	Total Fundraising Expenditure 2020
Fundraising expenditure						
Direct Costs						
Staff Costs (Note 10)	-	8,759	51,551	32,179	92,489	70,048
Catering Supplies	-	7,220	-	-	7,220	-
Promotion	-	-	60	-	60	4,250
Special Events	-	12,376	-	-	12,376	4,293
Train Operating Costs	-	31,094	-	-	31,094	7,495
Consumables and Tools	-	3,310	158	-	3,468	824
Communications	9,142	453	-	-	9,595	9,473
Contractors	-	1,577	4,752	-	6,329	2,388
Materials and Parts	-	176	-	-	176	346
Health and Safety	-	7,976	-	-	7,976	5,745
Other	-	669	1,488	-	2,157	891
Total direct expenses	9,142	73,610	58,009	32,179	172,940	105,753
Total support expenses (Note 6)	733	45,667	15,594	-	61,994	80,081
Total governance expenses	-	-	-	-	-	-
Total	9,875	119,277	73,603	32,179	234,934	185,834
Included in the above is restricted expenditure of:-	1,078	1,025	-	-	2,103	1,078
Restricted Expenditure in 2020	1,078	-	-	-	1,078	1,078

THE SCOTTISH RAILWAY PRESERVATION SOCIETY
NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2021.

6. Fundraising Support Costs

Fundraising support costs	Membership Costs	Fundraising Trading	Fundraising Publicity	Railtour Fundraising	Fundraising Support Expenditure 2021	Fundraising Support Expenditure 2020
Support costs allocated to activities						
Payroll -Support (Note 10)	-	3,911	1,955	-	5,866	33,711
Utilities	-	5,410	5,410	-	10,820	7,562
Rent, Insurance	-	3,563	2,969	-	6,532	6,792
Communications	217	434	434	-	1,085	1,145
Bank Charges	-	2,556	3,408	-	5,964	1,351
Depreciation	-	26,650	-	-	26,650	26,650
Mainline Connection Maintenance	-	1,854	-	-	1,854	452
Bad debt written off	-	-	-	-	-	75
Other Support Costs	516	1,289	1,418	-	3,223	2,343
Total Support Costs	733	45,667	15,594	-	61,994	80,081

THE SCOTTISH RAILWAY PRESERVATION SOCIETY
NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2021.

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 2021	Total Charitable Expenditure 2020
Direct Costs									
Staff Costs (Note 10)	32,374	1,401	210	63,059	40,751	10,235	1,849	149,879	58,365
Promotion	567	-	-	-	-	-	-	567	128
Train Operating Costs	-	-	-	-	-	-	-	-	722
Consumables and Tools	5,729	6,172	1,237	2,837	9,875	164	4,388	30,402	17,897
Communications	150	-	-	-	-	-	-	150	1,803
Contractors	24,064	97,173	8,110	108,488	56,662	1,469	5,896	301,862	200,800
Plant & Machinery Repairs	-	-	-	-	-	-	-	-	6,179
Materials and Parts	2,675	2,491	5,269	50,250	2,965	-	4,902	68,552	48,362
Carriage	350	-	625	3,625	6,211	-	70	10,881	7,858
Other	7,817	5,271	-	-	36	-	1,168	14,292	10,843
Total direct expenses	73,726	112,508	15,451	228,259	116,500	11,868	18,273	576,585	352,957
Total support expenses (Note 8)	70,367	19,685	37,063	22,519	22,029	-	27,025	198,688	246,491
Total governance expenses (note 8)	1,585	1,585	1,585	1,585	1,585	-	1,585	9,510	10,704
Total	145,678	133,778	54,099	252,363	140,114	11,868	46,883	784,783	610,152
Included in the above is restricted expenditure of:-	38,750	97,781	2,168	50,955	55,552	6,403	800	252,409	136,457
Restricted Expenditure in 2020	5,236	92,615	8	3,107	7,430	102,810	1,570	212,776	212,776

THE SCOTTISH RAILWAY PRESERVATION SOCIETY
NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2021.

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 2021	Total Charitable Support and Governance Expenditure 2020
Support costs allocated to activities									
Payroll -Support (Note 10)	2,933	1,955	2,933	1,955	1,955	-	1,955	13,686	78,660
Utilities	5,410	5,410	5,410	5,410	5,410	-	5,410	32,460	22,686
Rent, Insurance	6,875	2,969	2,969	2,969	2,969	-	2,969	21,720	22,405
Communications	1,626	1,626	1,626	1,626	1,626	-	1,626	9,756	10,314
Contractors & Consultants	-	-	6,111	6,111	6,111	-	6,111	24,444	19,904
Bank Charges	426	426	426	426	426	-	426	2,556	582
Depreciation	45,770	4,479	12,351	639	149	-	5,145	68,533	75,074
Mainline Connection Maintenance	-	-	1,854	-	-	-	-	1,854	452
Bad debt written off	1,125	-	-	-	-	-	-	1,125	12
Other Support Costs	6,202	2,820	3,383	3,383	3,383	-	3,383	22,554	16,402
Total Support Costs	70,367	19,685	37,063	22,519	22,029	-	27,025	198,688	246,491
Governance costs									
Audit Fees	1,300	1,300	1,300	1,300	1,300	-	1,300	7,800	7,550
Other governance costs	285	285	285	285	285	-	285	1,710	3,154
Total governance costs	1,585	1,585	1,585	1,585	1,585	-	1,585	9,510	10,704

THE SCOTTISH RAILWAY PRESERVATION SOCIETY
NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2021.

9. Net (Expenditure)/Income for the Year

This is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation	95,183	101,724
Loss on disposal of fixed assets	1,125	40
Gain on disposal of fixed assets	-	-
Management committee's remuneration	37,025	45,383
Auditor's remuneration:-		
Audit services	7,800	7,550

One member (2020: two) 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 £37,025 (2020: £29,417) including employer pension contributions. The other member, Mark Ashmole received remuneration as a Steam Shed Manager whilst being a Director of £nil (2020: £15,966) including employer pension contributions. Eight members of the Board of Trustees received reimbursements of expenses during the year of £9,270.48 (2020: £4,234). These expenses were reimbursements for the purchase of equipment and consumables for the Society's use. The Directors are covered by Directors' Liability Insurance at a cost of £1,341 (2020: £889). The committee structure is such that the Society has no paid key management personnel.

10. Staff Costs and Numbers

	2021	2020
	Total	Total
	£	£
Salaries and wages	237,900	214,264
Social Security Costs	11,878	16,964
Pensions	8,257	8,221
Other staff costs	3,885	1,335
	<u>261,920</u>	<u>240,784</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:

	2021	2020
	Headcount	Headcount
Charitable activities	6	6
Trading activities	4	4
Administration staff	2	2
Total	<u>12</u>	<u>12</u>

11. Government Grants

Government grants totalling £831,885 were received from National Heritage Lottery Fund, Visit Scotland, Museums Galleries Scotland, Historic Environment Scotland, and the HMRC Furlough Scheme.

THE SCOTTISH RAILWAY PRESERVATION SOCIETY
NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2021.

12. Taxation

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

13. Tangible Fixed Asset

	Land	Assets Under Construction	Tenants Improvements	Scottish Railway Exhibition	Permanent Way	Locomotives	Carriages and Wagons	Plant and Machinery	Office Equipment	Total
Cost										
At 1 Jan 2021	100	23,138	2,325,510	192,282	462,037	145,711	155,189	69,310	59,062	3,432,339
Additions in year	-	1,146,939	-	-	-	-	-	-	-	1,146,939
Transfers in year	-	(1,122,094)	1,082,572	-	-	-	-	39,522	-	-
Disposals in year	-	-	-	-	-	-	(1,125)	-	-	(1,125)
At 31 Dec 2021	<u>100</u>	<u>47,983</u>	<u>3,408,082</u>	<u>192,282</u>	<u>462,037</u>	<u>145,711</u>	<u>154,064</u>	<u>108,832</u>	<u>59,062</u>	<u>4,578,153</u>
Depreciation										
At 1 Jan 2021	-	-	1,726,546	192,275	339,586	-	-	69,290	59,051	2,386,748
Charge for year	-	-	82,832	-	12,351	-	-	-	-	95,183
Depreciation on Disposals	-	-	-	-	-	-	-	-	-	-
At 31 Dec 2021	<u>-</u>	<u>-</u>	<u>1,809,378</u>	<u>192,275</u>	<u>351,937</u>	<u>-</u>	<u>-</u>	<u>69,290</u>	<u>59,051</u>	<u>2,481,931</u>
Net book value At 31 Dec 2021	<u>100</u>	<u>47,983</u>	<u>1,598,704</u>	<u>7</u>	<u>110,100</u>	<u>145,711</u>	<u>154,064</u>	<u>39,542</u>	<u>11</u>	<u>2,096,222</u>
Net book value At 31 Dec 2020	<u>100</u>	<u>23,138</u>	<u>598,964</u>	<u>7</u>	<u>122,451</u>	<u>145,711</u>	<u>155,189</u>	<u>20</u>	<u>11</u>	<u>1,045,591</u>

THE SCOTTISH RAILWAY PRESERVATION SOCIETY
NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2021.

13. Tangible Fixed Assets (cont)

Heritage Assets

Included within tangible fixed assets are heritage assets. Three vehicles were transferred to the SRMCT at no cost in 2021. It is not practical to have the assets valued since as heritage assets the cost of valuations would be more than the value of the assets.

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 £
As at 1 January 2017			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	-
Jan 2021 - Dec 2021	Disposals	(1,125)	299,775	-

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 3.

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 reserves of SRPS Railtours at 31 December 2021 is £37,954 compared to a liability of 25,088 in 31 December 2020. The surplus for the year 1 January 2021 to 31 December 2021 is £63,042 (2020: deficit £32,450). Income for the year was £231,099 (2020: £23,404). Expenditure for the year was £168,057 (2020: £55,854).

The Scottish Railway Museum Trust (SRMT) was regarded as a subsidiary undertaking by virtue of the Society's control of the trustees. SRMT had no assets and no income or expenditure when it was wound up in January 2021. The Scottish Railway Museum Collections Trust (SRMCT) is regarded as a subsidiary undertaking by virtue of the fact that the Society has the right to nominate a majority of the trustees. Further information regarding the SRMCT can be found in the Report of the Directors. 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 2021.

15. Cash and Cash Equivalents

	At 31 Dec 2021	At 31 Dec 2020
	£	£
Cash in Hand	200	20
Fixed Rate Bonds	89,165	88,151
Instant Access Bank Accounts	<u>1,196,953</u>	<u>1,486,689</u>
Total	<u>1,286,318</u>	<u>1,574,860</u>

16. Debtors

	At 31 Dec 2021	At 31 Dec 2020
	£	£
Grants Receivable	270,740	108,173
Trade debtors	52,254	19,178
Sundry and prepayments	55,335	86,244
Amounts owed by group undertakings	75,000	75,000
Net VAT Recoverable	<u>57,721</u>	<u>24,989</u>
Total	<u>511,050</u>	<u>313,584</u>

17. Creditors: Amounts Falling Due Within One Year

	At 31 Dec 2021	At 31 Dec 2020
	£	£
Trade Creditors	4,992	25,629
Other creditors and accruals	69,747	105,108
Pensions	<u>1,117</u>	<u>783</u>
Total	<u>75,856</u>	<u>131,520</u>

18. Creditors: Amounts Falling Due After One Year

	At 31 Dec 2021	At 31 Dec 2020
	£	£
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.

THE SCOTTISH RAILWAY PRESERVATION SOCIETY
NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2021.

19. Contingent Assets

As at 31 December 2021 the charity is unaware of any contingent assets.

20. Commitments and Contingent Liability

As at 31 December 2021 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. At the date that the accounts were approved the position remained uncertain so no provision has been made in the accounts.

21. Movement in Funds 2021

	Opening Balance at 1 Jan 2021 £	Income £	Expenditure £	Transfers In £	Transfers Out £	Closing Balance at 31 Dec 2021 £
Restricted funds						
Life membership	11,481	-	(1,078)	-	-	10,403
Special Project Fund						
Covid Recovery Fund	90,673	735	(91,408)	-	-	-
Landslide Fund	35,354	188	-	-	-	35,542
Birkhill Signal Box	50,236	300	-	-	-	50,536
Steam Workshop	1,320	570,126	-	-	(571,446)	-
New Museum Entrance	15,000	102,369	-	-	(117,369)	-
Bo'ness Crossing	-	32,497	-	-	(32,497)	-
Collection Benefit Fund	20,666	1,000	(2,550)	3,444	-	22,560
Small Grants Scheme	-	11,606	(5,645)	-	-	5,961
Steaming Ahead	23,586	12,088	-	-	(35,674)	-
MGS MOSR Recovery & Resilience Grant	-	30,547	(30,547)	-	-	-
Steaming Ahead Inspiring Young Futures	-	15,000	(6,403)	-	-	8,597
Mark 1 Coaches	28,318	-	(28,078)	-	-	240
Railtour Coaches	-	12,330	(12,330)	-	-	-
LNER Third Class Corridor (TK) Coach 10021	7,070	9,764	(10,206)	-	-	6,628
G&SW Rolling Stock	11,755	1,387	(129)	-	-	13,013
Grangemouth Brake 62515	-	11,313	-	-	-	11,313
Fair Maid	10,932	-	-	-	-	10,932
Morayshire	31,397	17,745	(49,142)	-	-	-
Stanier 8F	57,980	11,866	(1,036)	-	-	68,810
25235 Diesel Locomotive	3,133	2,572	-	-	-	5,705
Other projects	24,460	29,972	(15,960)	-	(3,444)	35,028
Total restricted funds	423,361	873,405	(254,512)	3,444	(760,430)	285,268
Unrestricted funds						
Designated Funds						
Legacy fund	952,571	619,259	-	-	(500,000)	1,071,830
Steaming ahead D fund	-	-	-	500,000	(389,953)	110,047
Mainline connection	150,000	-	-	5,000	-	155,000
Railtour Services	-	32,179	(32,179)	-	-	-
Fixed asset fund	1,045,591	-	(95,183)	1,146,939	(1,125)	2,096,222
General funds	242,230	506,915	(637,843)	1,125	(5,000)	107,427
Total unrestricted funds	2,390,392	1,158,353	(765,205)	1,653,064	(896,078)	3,540,526
Total funds	2,813,753	2,031,758	(1,019,717)	1,656,508	(1,656,508)	3,825,794

2021 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 Steaming Ahead Restricted funds and Steaming Ahead D fund to the Fixed Asset fund a total of £1,146,939, being the value of assets constructed or under construction in 2021.

THE SCOTTISH RAILWAY PRESERVATION SOCIETY
NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2021.

- From the Fixed Asset Fund to the General Fund the sum of £1,125 being the disposal of heritage assets.
- From the Legacy fund to the Steaming Ahead Designated Fund the sum of £500,000 being the planned contribution of the Society to the Steaming Ahead project.

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 2021

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 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 or closing balances greater than 35,000 in 2021 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 of 2020, 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.

Steam Workshop

A major part of the Steaming Ahead project is the construction of a new workshop for the restoration of steam locomotive and other rolling stock. This new facility provides a modern and safe environment to allow the Society set up and operate an apprenticeship scheme.

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.

THE SCOTTISH RAILWAY PRESERVATION SOCIETY
NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2021.

Bo'ness Crossing

The Bo'ness Crossing is another component in the steaming Ahead project. It allows pedestrian access across the railway from the car park to the Museum of Scottish Railways.

Collection Benefit Fund

This fund arises from proceeds from the disposal of heritage assets in accordance with the agreement between the SRMCT and the SRPS.

Small Grants Scheme

This fund is used for a variety of short term projects and activities which are supported by external grants.

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.

MGS MOSR Recovery and Resilience Fund

This fund was set up specifically to track the use of a recovery and resilience grant from Museums Gallery Scotland.

Steaming Ahead Inspiring Young Futures

This fund is one of the restricted funds set up to be specifically used in the activities as described in the NLHF application to be for the furtherance of inspiring young futures.

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.

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.

Grangemouth Brake 62515

This vehicle is a corridor carriage, with 4 Second Class compartments and a brake compartment, and was built in 1924 specifically for use on the boat trains between London (Liverpool Street) and Harwich. It was acquired in 1980 with grant support from the National Fund for Acquisition.

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Fair Maid

This loco is a 3-foot gauge steam locomotive and is part of the core collection. It was built in 1899 by Andrew Barclay, Sons & Co. and donated to the Society by the British Aluminium Company in 1964. It has the unofficial name of the “Fair Made of Foyers”.

There is a long-term plan to return it to steam for use on a suitable narrow gauge railway either in the UK or Ireland.

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.

Steaming Ahead D Fund

This fund was set up to ring fence the contribution that the SRPS has identified to the cost of the Steaming Ahead Project.

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 Railtours 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 2021.

Comparable table for 2020

	Opening Balance at 1 Jan 2020 £	Income £	Expenditure £	Transfers In £	Transfers Out £	Closing Balance at 31 Dec 2020 £
Restricted funds						
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
Total restricted funds	151,720	388,510	(137,535)	20,666	-	423,361
Unrestricted funds						
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	356,901	449,809	(540,854)	2,040	(25,666)	242,230
Total unrestricted funds	2,603,821	465,688	(658,451)	7,040	(27,706)	2,390,392
Total funds	2,755,541	854,198	(795,986)	27,706	(27,706)	2,813,753

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 2020.
- From the Fixed Asset fund to the General Fund the sum of £2,040 being the proceeds of non-heritage assets in 2020.

22. Analysis of Net Assets Between Funds

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	-	2,096,222	-	2,096,222
Investments	100	-	-	100
Net Current Assets	108,327	1,336,877	285,268	1,730,472
Long term loan	(1,000)	-	-	(1,000)
Net assets at 31 Dec 2021	<u>107,427</u>	<u>3,433,099</u>	<u>285,268</u>	<u>3,825,794</u>

THE SCOTTISH RAILWAY PRESERVATION SOCIETY
NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2021.

The comparable figures for 2020 are as shown below.

	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>

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

	2021	2020
	£	£
Net movement in funds	1,012,041	58,212
Add back in depreciation charge	95,183	101,724
Add back in loss on disposal of tangible fixed assets	1,125	40
Deduct gift aid distribution from subsidiary	-	(235,686)
Deduct interest income shown in investing activities	(1,374)	(3,200)
(Increase)/decrease in stock	3,178	(1,103)
(Increase)/decrease in debtors	(197,466)	(195,713)
(Decrease)/increase in creditors	(55,664)	37,722
Net cash provided by / (used in) operating activities.	<u>857,023</u>	<u>(238,004)</u>

25. Related Party Transactions

During the year, the Society recharged expenses of £44,101 (2020: £28,136) to SRPS Railtours Limited, a 100% owned subsidiary, and SRPS Railtours Limited recharged expenses of £nil (2020: £14,874) to the Society of which £nil was outstanding at the year end. In addition, the Society made a loan of £75,000 in 2020 to SRPS Railtours Limited of which £75,000 (2020: £75,000) was outstanding at the year end.

Sales of £90 (2020: £13,680) were made to 6LDA in the year of which £108(2020: nil) 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 were made to Danfoss Scotland Ltd in the year of which £546 was outstanding at the year end. Danfoss Scotland Ltd, acquired Artemis Intelligent Power Ltd. in January 2021 with whom sales of £1,820 were made in 2020 of which £2,184 was outstanding at the year end of 2020. The son of James Robertson, a director of SRPS and SRPS Railtours Limited, works for the company.

Purchases of £2,310 (2020: nil) were made from the Edinburgh Society of Model Engineers in the year of which nil (2020: £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 £122,567 (2020: £nil) were made to Arcola Energy Ltd in the year, of which £35,785 (2020: £nil) was outstanding at the year end. SRPS director, Callum Sellar, works for the company.

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for the year ended 31 December 2021.

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

26. Securities

As a condition of the grant awarded by NLHF 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.