



Community Benefit Society (8486)

A RAILWAY OWNED BY THE COMMUNITY FOR THE COMMUNITY

Alford Valley Community Railway
Alford
AB33 8AD

Combined Director's & Trustees Report For the Year 31/03/24

A warm welcome to the trustees report covering the last 12 months to 31/03/24 of Alford Valley Community Railway Ltd (AVCR). Financial Statements have been prepared according to our Rules, according to Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts Scotland Regulations 2006 (as amended) and according to the Charities SORP (FRS 102) as at 16th July 2014. In accordance with paragraph 3.16B a small entity need not provide a specific disclosure (including those set out in paragraph 1A.18 and Appendix C or Appendix D to this section, as relevant) if the information resulting from that disclosure is not material, except when required by the Act regardless of materiality - this clause has been applied in certain cases. Alford Valley Community Railway Annual Report addresses matters in the same order as recommended by the Charities SORP (FRS 102).

Description of the Objectives of the Charity and the Activities for the year

The Objectives for AVCR as per our Rules are as follows:

The objects of the society shall be to carry on business for the benefit of the community at large, through furthering, within the Alford Valley in Aberdeenshire (which comprises the postcodes AB33) ("the Community"), the following charitable purposes: The advancement of community development (including rural regeneration); To restore, preserve and operate railway locomotives, carriages, wagons, vehicles & other artefacts of historical interest and the structures connected therewith for the benefit and education of the public. But only to the extent that the above purposes are consistent with furthering the achievement of sustainable development.



Our activities planned for the year were to successfully complete the refurbishment of the station including new accessible toilets, fire alarm, CCTV, installation of a new kitchen and decorating inside and out, in the engine shed to overhaul enough rolling stock so a service could start, turntable, work on track and terminus and Haughton Park as far as was possible in the given financial year. Further detail of what was achieved within these planned activities is given in the Achievements section of this document.

Grant Making Policy

AVCR has not developed a grant making policy at this time. It is likely that a grant making policy will be required in the next 1-3 years of operating and this will be reflected in the organisations objectives as appropriate.

Review of Achievements

Following last year's AGM we had a visit by the Office of Rail and Road (ORR) who walked the track with John Fincham and Karl Stevens and advised that certain things needed to be in place before we could operate trains ie that certain signage had to be in place (see below), our Safety Management System had to be in place and up to date and that Drivers had to be over 18 and had to hold a valid medical certificate – all of these observations were actioned.

The Board met early in May to discuss progress with the building refurbishment with internal work almost complete fire alarm, accessible toilets and heat source pump all installed, and with decorating inside now completed the new kitchen was ordered and fitted by Bob Humphrey, thanks Bob. Outside work was starting on the transformation of the station with joinery repairs and full repaint into a new colour scheme.

By the end of May the building was handed back to us and with this, the Board was now meeting in the station on a weekly basis to go through outstandings items needing to be finished off for a possible opening. Track maintenance was on going, along with fences being painted and new fences being erected. Rolling Stock repairs were progressing and there was growing confidence that one coach and engine would be ready with a backup engine available too. Work was still on going with the tram bodywork requiring extensive refurbishment of the exterior where woodworm and rot was found along with interior repairs. An inspection of the running gear on the tram threw up the need for new wheels and axles for the bogies will be required.

With things moving on, July dates were being discussed about opening to the public as the lists of jobs to be completed were decreasing. Signs had been produced and installed for whistle and level crossing signs along the line as well as station names added too. Training also now started for train crew (drivers and guards) along with medicals for engine drivers - something the ORR had insisted on as above.



Also in July we also hosted our first corporate volunteer day with Maersk Supply Service coming along and spending the day with us laying new sleepers at Haughton Station a very productive and rewarding day was had. This is something that we will look to do more of in the coming year.

Finally in earlier August as a Board we met and were happy that a service could start so on the 11th August 2023 the first trains ran on the understanding this was a test weekend with no guarantees that trains would run on the following weekends. The weekend went well with the trains all full. The Board met again a few days later to go through the weekend and to see what worked what didn't and how things could be improved and changed, it was confirmed at this meeting that the trains would continue to run as a soft opening for the remainder of August and September subject to no breakdowns and enough volunteers being available to run the service, these trains were well used with most being almost full.

A craft group was also formed around late August which meets in the station and produces craft items for sale in support of the railway. We thank the craft group for their work raising valuable funds for AVCR Ltd.

September saw us host our first 'Doors Open' weekend which was very well attended.

In October we ran two Halloween special trains which were prebooked and sold out in advance. Early November we had a group from the Prince's Trust Horseback UK visit to volunteer with us. They spent a time working around the site doing various jobs for us and good time was had by all this is something that both sides are keen to repeat in 2024.

Late November saw the Alford Christmas Festival take place and this year the railway was asked to provide the ticket office for Santa use. The ticket office was decorated for Santa's use as his grotto, along with the train by the craft group from AVCR Ltd. This year trains were run throughout the day linking Alford to Haughton Park alongside the vintage bus service.

In December we ran our first Santa trains which were ran on the first two weekends, these too were all prebooked and sold out well in advance. It was great fun for all and really makes the hard work involved with getting this venture running worthwhile with so many happy smiling faces around.

In January 2024 although the weather was not with us, work started to replace rotten sleepers down along the golf course - a section was completed and more will be done next winter. In February a new shelter was purchased and installed at Haughton Park terminus by Deeside Log Cabins. Work also got underway on the engine James Gordon with leaks being found in the hydraulic hoses meaning the engine had to come apart for the major repairs as this report is being written the pipes are off and new ones are being made for it.



Tram repairs are ongoing with new axel and wheels being discussed for the bogies with a delivery time advised of around four months. Again, as this report is being written new rails were purchased and some were donated to use on the tight corner at the bottom of the golf course, rails have been delivered, and old track and sleepers have been lifted and it is ready to be scraped out for laying out the new plastic sleepers - this project is on-going.

Financial Review

Given that AVCR are a Community Benefit Society registered with the Financial Conduct Authority the Co-operative and Community Benefits Societies Act 2014 requires charities to prepare accounts which show a 'true and fair view'. Therefore, Accounts to 31/03/24 have been fully accrued and prepared in accordance with Statement of Recommended Practice Financial Reporting Standard 102. In accordance with paragraph 3.16B a small entity need not provide a specific disclosure (including those set out in paragraph 1A.18 and Appendix C or Appendix D to this section, as relevant) if the information resulting from that disclosure is not material, except when required by the Act regardless of materiality and this clause has been applied in certain cases.

In preparing the accounts, the trustees have considered whether, when in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102, a restatement of comparative items was appropriate. In consideration of this comparative items are provided.

Similar to last year, principal sources of income for AVCR for the financial period to 31/03/24 have been grants, donations and membership subscriptions. However, this income has been supplemented by ticket sales during our soft opening, Halloween and Santa Special Events.

At the end of the financial year to 31/03/24 £29,399.91 was held on account. Of this sum, the following is advised. No material amounts have been designated at the end of this reporting period.

PBI Grant £9,127.60 (Restricted)
Co-Op Community Fund £2372.29 (Restricted)
Co-Op Community Fund £5,252.50 (Restricted)
ACT Fund - £2,000
Donations, Membership & Misc Funds £10,647.52 (Unrestricted)
Contingency Savings Fund £3,001.44

In addition to the above, all day-to-day accounting processes were move to XERO Financial Software and more recently, a mechanism for the board approval of AVCR supplier invoices prior to payment was introduced with John Fincham, Chair and Yvonne Buckingham, Secretary set up as approvers.



Risk Management

The principal risks faced by AVCR for the year to 31/03/24 lies in four main areas.

The first risk is in regard to its ability to continue to attract grant funding required to carry out major improvements such as installation of solar panels. Operating income cannot be set at a level to expect sufficient surplus to cover such a cost. Working closely with organisations such as the third sector interface for Aberdeenshire – Aberdeenshire Voluntary Action – will ensure access to information about forthcoming grants and support when applying will mitigate this risk.

The second risk is in regard to operating income. It is essential that operating income is sufficient to cover operating expenditure. Ticket pricing has been carefully set to ensure that this happens and will be closely monitored throughout any given year which will mitigate this risk. The third risk is in regard to the availability of the rolling stock which is essential to the successful running of the enterprise. Rolling stock has been provided on loan by benefactors with the long-term plan to purchase the stock over time. A financial agreement with the benefactors must be set up in due course to purchase/own the rolling stock. The organisation is a Community Benefit Society which will allow the public to purchase shares in the organisation. This share income has been identified as the main source of funding to meet any loan agreements associated with the rolling stock which will mitigate this risk.

The fourth risk is in regard to the fact that the organisation has not run as a going concern for a whole season thus far. The original organisation has not run in over 7 years. Accounts for that organisation are no longer available and therefore income and expenditure cannot be estimated based on the that organisation either. Therefore, accurate income and expenditure is difficult to predict. Previously as a result, this risk was going to be mitigated by accruing a 20% contingency reserve in the first year and for the same reason £1,500 per annum set aside to account for uncertainty in terms of Building Maintenance and £2,500 per annum set aside to account for uncertainty in terms of Rolling Stock Maintenance. However, whilst still recognising the associated risks, it was agreed by the Board that a simpler way forward was for an interest-bearing savings account to be set up and an initial sum of £3,000 deposited. The account has been set up, monies transferred and interest thus far of £1.44 has been accrued.

Reserves

The organisation does not currently have a reserves policy. Efforts in first year of operation have been centred on setting up the correct legal form, signing a 25-year lease and then refurbishing and opening the attraction. Once a reasonable measure can be taken in regard to running costs and income, it is the goal of the organisation to set a reserves policy.



Plans for the Future

Work is ongoing with the following still to be completed but some more long term than others:

- Ongoing Refurbishment of the Track with corner being re-laid
- Major repairs to James Gordon to be completed.
- Replacement of engine shed doors.
- Layout of children play area and picnic area at Alford Station.
- Finish paving in around the Station.
- Painting outside fences.
- Decision to be made on what happens to the turntable pit.
- Continuing with the tram restoration fitting new axel and wheels.
- Decision on what happens to third coach which is very much degraded and requires a total rebuild
- Ongoing Corporate Volunteer days
- Planning of Official Opening

As we look forward to the coming year it will be another busy year completing track work, ongoing maintenance of the rolling stock and the introduction of a picnic area and play park at Alford Station. We will be running trains running during the Summer and also trains for Halloween and Santa Specials. We are also looking forward again this year to taking part in Doors Open in September giving people the chance to see behind the scenes. In the closed season we will again spend time replacing sleepers and general overhaul of the stock. We will be updating the business plan and policies and procedures.

From the point of view of Treasury, plan for the future will be to progress the following:

- Strategic Objectives
 - Negotiate ownership of the Rolling Stock and initiate Share Offer if required
 - Establish a Reserves Policy
 - Establish a Depreciation Policy for replacement of existing Fixtures & Fittings
- Operational Objectives
 - Build a more accurate Budget Projection for Annual Income/Expenditure
 - Create a reporting profile against the above Budget Projection
 - Consider registering for VAT

Structure, Governance and Management

Alford Valley Community Railway Ltd is a charitable Community Benefit Society and a Limited Company which is governed by a Board of Trustees. During the course of the financial year, Bob Heath and Bob Humphrey were appointed to the Board, Karl Stevens was appointed as Deputy Chair, Jane Booth and Doreen Burns came onboard as an Associate Trustees. However, also during the course of the financial year, Karl Stevens stood down as Deputy Chair, Neil Howie and Doreen Burns resigned – Doreen continues to be a very active volunteer.



In regard to our minimum/maximum number of Board Trustees this has been revised to allow a little more flexibility in numbers. Maximum Board Members has been increased to 16 and this will be ratified at the AGM 06/06/24.

Management Structure is detailed below – A/T infers Associate Trustee:

Trustees and Associate Trustees as of April 2024

John Fincham	Yvonne Buckingham	Gloria Malcolm
Carol Sinclair	Karl Stevens	Bob Heath
Bob Humphrey	Jane Booth	A/T
		Jan Bewick A/T

Management Meetings are held monthly with additional ad-hoc meetings in between as is necessary. All Meetings are minuted and Actions discussed and tracked.

In terms of recruitment of new board members, potential board members are invited to join board meetings 2-3 times at least to get an understanding of the business carried out in terms of objectives, financial position and actions. In due course, attendees are invited to become Associate Trustees. At a later point, Associate Trustees are invited on to the Board as Full Trustees at which point a Trustees Declaration is completed and signed. Members are recruited based on the experience they bring to the Board. There is no formal process for the induction and training of the trustees at present but this will be created in due course. In addition, the Board work closely with Scottish Council for Voluntary Organisations and have regularly undertaken recommendations made as a result of their Governance Checker and good practice in regard to Training.

Staff & Remuneration

AVCR is a CBS run by the community for the community and as such its main aim is not to have staff, rather servicing refurbishment, repairs, day to day staffing with volunteers. On this basis there are no employed staff and no staffing costs. Accordingly, there are also no pension obligations.

Volunteers

AVCR has no staff and the Board is entirely made up of volunteers. Supporting the Board in the furtherance of its objects and objectives are our AVCR valued volunteers. We rely on our volunteers on the Board but we also heavily rely on our non-Board volunteers for all manner of activities. Our volunteers work tirelessly on any number of tasks at any given point and without them, the railway in its current form could not run. Typical activities include ongoing maintenance – track, rolling stock, station, environs, resourcing of our opening season and special events, fundraising, crafting, and much much more. We are in the process of introducing a more formalised process associated with the induction of our volunteers according to designated roles and associated competencies along with a volunteer’s handbook and rules.



We take this opportunity to thank each and every one of our dedicated volunteers without whom we would not be where we are today. Thank you for all you have done and continue to do.

We also recognise and thank the local businesses for your support, whether that be giving of your time to help, feeding the volunteers, or helping in any other way to support the railway.

Trustees' responsibilities in relation to the financial statements

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in Scotland requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Administrative Information

Registered Office - OSCR:

The Station
Main Street
Alford
AB33 8AD



Registered Office – FCA (in process of being changed):

Whitehouse Farm,
Montgarrie,
Alford.
AB33 8AT

Place of Business

The Station
Main Street
Alford
AB33 8AD

Trustees as at 06/06/24:

John Fincham (Chair & Permanent Way Manager)
Yvonne Buckingham (Secretary & Fundraising)
Gloria Malcolm (Treasurer)
Carol Sinclair (Trustee - Information Sharing & Fundraising)
Karl Stevens (Trustee)
Bob Heath (Trustee)
Bob Humphrey (Trustee)
Jan Bewick (Associate Trustee – Funding)
Jane Booth (Associate Trustee – Volunteering)
Vacant (Trustee - Engineering Manager)

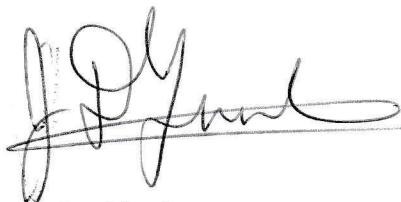
Independent Examiner

Bridgeton Bookkeeping, Alford, AB33 8PX

Bankers

Virgin Money, Aberdeen, AB10 1WD

Approved by the trustees on 06/06/24 and signed on their behalf by:



John Fincham
CHAIR of TRUSTEES

