THE ALFORD VALLEY COMMUNITY RAILWAY

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 31/03/25

A warm welcome to the trustees report covering the last 12 months to 31/03/25 of Alford Valley Community Railway Ltd (AVCR Ltd). 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 Ltd 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.

Grant Making Policy

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

OSCR Scottish Charity Regulator www.oscr.org.uk Registered Charity SC051076
COMMUNITY FUND
Supported by Aberdeenshire COUNCIL
The Scottish Government Riaghaltas na h-Alba
Foundation Scotland
VATTENFALL
JUSTTRANSITION PARTICIPATORY BUDGETING FUND

Review of Activities and Achievements

Our activities planned for the year were varied and were achieved as a result of input from the Engine Shed, Permanent Way, Marketing Group, Craft Group, Volunteers, the Board and the Public. A summary of activities and achievements are as below but this list is not exhaustive!

Volunteers:

- formalised our onboarding process for new volunteers
- set up a communicating volunteer group
- instigated quarterly meetings
- offered volunteers the opportunity and mechanism to feed into objective setting, improvement of processes, and offer ideas
- appointed a Volunteer Representative
- continue to offer more structured and formalised training ie Personal Track Safety, Driver/Guard training, Fire Awareness Training

Craft Group:

- continued with the success of our craft group creating seat covers, bunting, decorations and merchandise for resale.

Processes:

- transitioned from Promotix and Stripe as our ticketing partner to FIXR and Evo for reasons of improved functionality and reduced cost.
- transitioned from Zettle to Takepayments as our Point of Sale Service provider in order to reduce costs.
- handed over operational treasury activities to Margery Heath.
- formalised our HSE advisory roles and processes including our Safety Management System
- continued to review and update our processes as required
- establish a Replacement Policy for Fixtures & Fittings

Engine Shed:

- formalised the maintenance programme for the rolling stock
- removed the 'shed within a shed' structure
- continuing with the restoration of the tram
- deconstructed John C removing all woodworm affected timbers
- ongoing and continuous maintenance and improvement of the rolling stock

Permanent Way:

- continue track maintenance with specific attention to the Golf Course curve section and Golf Course straight section
- formalised monthly and weekly track inspections dependant on open season or closed season
- ongoing and continuous inspection and maintenance of the track

Miscellaneous

- Turntable – regularly pumped out, fenced off and drainage system put in place
- Installed 40ft Container to act as storage
- Installed of generator as part of our resilience hub offering
- Renewed existing fencing and installed new fencing all around the site
- Refurbished of 'Postman Pat' - our beloved children's ride
- Development of our play area – hoping to be open July 2025

Although many challenges were experienced throughout the year the majority of above was achieved. The Station opened on 5th June 2024 and ran consistently until end September. September also saw us host 'Doors Open' weekend again which was very well attended.

October saw Halloween Trains running with additional 'extras' in relation to volunteers who all dressed up and 'spooked' passengers from various points along the track much to the delight of all involved. There was even had a ghostly story teller – or was there?

Late November saw the Alford Christmas Festival take place. The Station and rolling stock were decorated by the craft group from AVCR Ltd and Santa was onsite – many thanks for coming out to see us Santa! This year trains were run throughout the day linking Alford to Haughton Park alongside the vintage bus service.

Santa trains during the first two weekends of December, these too were all prebooked and sold out well in advance. Of course, Santa came back volunteers kept him going with tea and biscuits! 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.

During the Santa events, AVCR Ltd were delighted to welcome festive choir signing from Ithaca Energy Choir, Craigievar Choir and Albacappella who also thoroughly enjoyed the experience. Also during December we welcomed numerous nurseries, playgroups and schools to the Station for personalised Santa experiences.

January saw significant track work along the golf course section and February saw AVCR Ltd attendance at the Heritage Railway Association Awards Ceremony where we were recognised as 'Highly Commended Team', our much appreciated certificate features in the entrance foyer of the Station.

The craft group ran throughout the year producing marvellous products for sale and also producing many elements to enhance the experience of our public such as bunting, decorations, padded seating for the carriage and blankets for our passengers. We thank the craft group for their continued work of producing craft items raising valuable funds for AVCR Ltd.

OSCR Scottish Charity Regulator www.oscr.org.uk Registered Charity SC051076
COMMUNITY FUND
Supported by Aberdeenshire COUNCIL
The Scottish Government Riaghaltas na h-Alba
Foundation Scotland
VATTENFALL
JUSTTRANSITION PARTICIPATORY BUDGETING FUND

Prince's Trust Horseback UK visited again to volunteer with us. They spent time working around the site doing various jobs for us and good time was had by all. We also welcomed corporate volunteers from organisations such as Ithaca Energy (several different departments), Aker Solutions and Scottish Enterprise, this is something that both sides are keen to repeat again in 2025.

All through the year we have had a consistent presence from volunteers and supervisors from Aberdeenshire Council Community Payback. These volunteers have worked tirelessly, helping us with activities such as painting, gardening and track work.

Our passengers thronged consistently through our doors onto our wee train – we can't thank them enough for their ongoing support, positive feedback and smiley faces which included many private events scheduled for nurseries, schools, businesses, train enthusiasts and more!

In all of the above, we thank everyone that came to see us and volunteered with us – the charity could not run without both of these elements which are crucial to our success.

Financial Review

Given that AVCR Ltd are a Community Benefit Society (CBS) 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 31/03/25 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 Ltd for the financial period to 31/03/25 have been ticket sales, merchandise sales, grants, donations and membership subscriptions.

Full details of our financial position at the end of 31/03/25 are available from our Annual Accounts and Notes to the Accounts.

Risk Management

The principal risks faced by AVCR Ltd for the year to 31/03/25 continued to lie in four main areas.

The first most significant risk in tandem with the rolling stock below is in regard to the availability of volunteers. It is recognised that without volunteers the railway cannot run first foremost and cannot be maintained. Throughout 2024/25 we did succeed in opening all of the season and

achieved a considerable amount of work as above. This did prove to be quite a heavy strain on available volunteers. 2025 will require a considerable volunteer recruitment campaign to ensure consistent availability.

The second most significant 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 or purchase agreements associated with the rolling stock which will mitigate this risk.

The next 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 costs. 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 final risk is in regard to operating income. It is essential that operating income is sufficient to cover operating expenditure. Ticket pricing has been careful set to ensure that this happens and will be closely monitored throughout any given year which will mitigate this risk.

Reserves

Initially, as AVCR Ltd was entering its first year as a going concern it was recognised that there were uncertainties in terms of actual income and actual running costs. Through the course of the financial year to 31/03/25 and after discussion, the Board agreed to set aside a reserve fund which is saving or a liquid asset set aside to cover unexpected costs or future financial obligations. A sum of £3,000 for such matters was set aside into a savings account which is accruing interest at a rate of 1.43%. Going forward into financial year to 31/03/26 it has been agreed by the Board that a calculation will be made based on running costs to 31/3/25 and a value associated with **6** months running costs identified and held on account in the Savings Account. Going forward into 31/3/27, it has been agreed by the Board that a calculation will be made based on running costs to 31/3/27 and a value associated with **12** months running costs identified and held on account in the Savings Account. Year on year thereafter, a check will be carried out to ensure that the value held in the Savings account is in line with 12 months of the current year's running costs.

In addition, during the financial year, an Asset Replacement Fund was set up. An Asset Register was created (which excludes rolling stock at this point) and based on this the Board agreed to transfer a sum amounting to 10% of the value of the asset register into a savings account which is accruing an interest rate of 1.43% for future replacement of Assets as required.

Plans for the Future

Planning strategically for the coming year will commence in earnest after the AGM. Certain projects are currently under discussion and will be fully fleshed out and costed for submission to the members and volunteers for input. Typical activities may be (listed in no particular order)

- volunteer recruitment campaign
- ongoing refurbishment of the track
- installation of a 20ft container to act as an external workshop (partially achieved at time of writing)
- install gabions to the golf course section of the stream (January 2026)
- ongoing maintenance and improvement to James Gordon
- installation of a sound system to the operational rolling stock
- continuing with the tram restoration
- decision on what happens to third coach John C which is very much degraded and requires a total rebuild
- completion of the layout of children play area and picnic area at Alford Station.
- finish paving in and around the station.
- decision to be made on what happens to the turntable pit.
- introduction of junior clubs and children's parties
- ongoing corporate volunteer days
- installation of advertising mechanisms such as advertising boards along the track and rolling advertising screens in the Station Waiting Room

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
    - Finalise Reserves Policy (in progress)
    - Establish a Grant Funding Policy/Strategy for projects

- Operational Objectives
    - Build a more accurate Budget Projection for Annual Income/Expenditure
    - Create a reporting profile against the above Budget Projection

Structure, Governance and Management

AVCR Ltd is a charitable CBS and a Limited Company which is governed by a Board of Trustees. In regard to our minimum/maximum number of Board Trustees this has been revised to allow a little more flexibility in numbers. During the course of the year the board has appointed Margery Heath, Treasurer and Bookings, Harry Russell (AT), Julia Coutts and Callan Kelso (since resigned due to ill-health) as HSE Advisors, Louise Anderson as ASN Advisor, Duncan Ross (DCC Representative). Jan Bewick stood down but is still a volunteer

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

OSCR Scottish Charity Regulator www.oscr.org.uk Registered Charity SC051076
COMMUNITY FUND
Supported by Aberdeenshire COUNCIL
The Scottish Government Riaghaltas na h-Alba
Foundation Scotland
VATTENFALL
JUSTTRANSITION PARTICIPATORY BUDGETING FUND

Trustees and Associate Trustees as of April 2025

John Fincham	Yvonne Buckingham	Gloria Malcolm
Carol Sinclair	Karl Stevens	Bob Heath
Bob Humphrey	Jane Booth A/T	Harry Russell A/T
Callan Kelso A/T (resigned)		

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

Volunteers

AVCR LTD 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 Ltd 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 have introduced a more formalised process associated with the induction of our volunteers according to designated roles, along with a more formalised process of training for drivers and guards.

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 time to help, feeding the volunteers, or helping in other ways 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
The Station
Main Street
Alford
AB33 8AD

Place of Business
The Station
Main Street
Alford
AB33 8AD

Trustees as at 24/06/25:
John Fincham (Deputy Chair & Permanent Way Manager)
Yvonne Buckingham (Secretary)
Gloria Malcolm (Chair /Treasurer)
Carol Sinclair (Trustee - Information Sharing & Fundraising)
Karl Stevens (Trustee & Permanent Way)
Bob Heath (Trustee – Engineering Representative & Permanent Way)
Margery Heath (Treasurer)
Bob Humphrey (Trustee & Permanent Way)
Harry Russell (Associate Trustee & Permanent Way)
Jane Booth (Associate Trustee – Volunteering)

Independent Examiner
Bridgeton Bookkeeping, Alford, AB33 8PX

Bankers
Virgin Money, Aberdeen, AB10 1WD

Approved by the trustees on 24/06/25 and signed on their behalf by:

Gloria Malcolm
CHAIR of TRUSTEES

OSCR Scottish Charity Regulator www.oscr.org.uk Registered Charity SC051076
COMMUNITY FUND
Supported by Aberdeenshire COUNCIL
The Scottish Government Riaghaltas na h-Alba
Foundation Scotland
VATTENFALL
co op
JUST TRANSITION PARTICIPATORY BUDGETING FUND