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 31/03/26

A warm welcome to the trustees report covering the last 12 months to 31/03/26 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.

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 – the organisation:

- ran regular 'almost' quarterly meetings including volunteer BBQ at the end of the season
- continued to offer volunteers the opportunity and mechanism to feed into objective setting, improvement of processes, and offer ideas
- continue to offer more structured and formalised training ie Personal Track Safety, Driver/Guard training, Fire Awareness Training, First Aid Training etc

Craft Group:

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

Processes – the organisation:

- transitioned from Zettle to Takepayments in 2025 as our Point of Sale Service provider in order to reduce costs however, Takepayments is limited in its lack of capacity to offer Gift Aid – this will be addressed in 2026.
- Transitioned operational treasury activities (Treasurer 1) - fully handed over to Margery Heath. Joan Gilbert-Stevens expressed an interest in being a Trustee and specifically to be our strategic and management accounting Treasurer (Treasurer 2) albeit with no supervisory capacity for the Treasurer 1 role)
- continued to formalise our HSE advisory roles and processes including our Safety Management System
- continued to review and update our processes as required

Engine Shed:

- continued in the restoration of the Tram making steady progress
- formalised the maintenance programme for the rolling stock
- continued in ongoing and continuous maintenance and improvement of the rolling stock
- introduced generator maintenance on a monthly basis
- installated of a sound system, heat and light to the operational rolling stock
- CCTV installed

Permanent Way:

- formalised monthly and weekly track inspections dependant on open season or closed season
- continued in ongoing and continuous inspection and maintenance of the track
- obtained a second grant for £50,000 for the replacement of the remainder of the wooden sleepers
- points, sleepers and track renewed on an as required and regular basis

Miscellaneous

- turntable – regularly pumped out, fenced off and drainage system put in place
- installed 20ft Container to act as storage and function as an outside workshop in the future
- commissioned generator as part of our resilience hub offering
- opened our play area – hoping to further develop in 2026
- opened conversation with our main benefactor re securing the majority of the rolling stock for the future
- introduction of advertisement boards along the track
- continued in advertising of meeting room availability - currently occupied by ad-hoc groups but also a bowling group and a camera club on a regular basis.
- Lower Haughton totem installed, rendering refreshed, fencing installed and painted
- exit gate re-sited to GTM Gate 6 and repainted
- disabled ramps installed throughout Station Building
- fencing regularly maintained
- power supplies to the engine shed, pumps etc improved on an ongoing basis

The Station opened on Easter weekend 2025 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. We trialled running on a Friday night rather than 2 x day time activities – no material difference in demand. There was even 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 ran during the first two weekends of December, these too were all prebooked and sold out well in advance. Of course, Santa came too and 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 and Craigievar Choir who thoroughly enjoyed the experience. Also during December we welcomed numerous nurseries, playgroups and schools to the Station for personalised Santa experiences.

January saw significant efforts applied to our initial project of the year which was to install Gabions along an eroded section of stream embankment. Very quickly it became apparent that installing gabion baskets filled with rock was challenging for the volunteers and very time-consuming.

The project therefore changed from the installation of gabions to the installation of 'lego' type concrete structures and this work – Stage 1 – was carried out in the spring and will be completed over the summer. Unused Gabions will be put up for sale on local marketplace platforms.

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.

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). We were also surprised and delighted to receive a large donation from Ithaca Energy which was very much appreciated and went towards addressing the erosion of the embankment as mentioned above.

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!

As 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 31/03/26 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 31/03/26 have been ticket sales, merchandise sales, grants, donations and membership subscriptions.

Full details of our financial position at the end of 31/03/26 are available from our Annual Accounts and Notes to the Accounts.

Risk Management

The principal risks faced by AVCR Ltd for the year to 31/03/26 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 secondly cannot be maintained. Throughout 2025/26 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. 2026 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 aim within AVCR Ltd 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 carefully 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 31/03/26 and after discussion, the Board agreed to set aside a reserve fund which is saving for a liquid asset set aside to cover unexpected costs or future financial obligations. A sum of £3,000 for such matters was initially 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 was agreed by the Board that a calculation will be made based on running costs to 31/3/25 and a value associated with **9** 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 31/3/26 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. A full review of our reserves policy including justification for holding 12 months reserves will be carried out in the coming financial year.

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. This activity is represented in the Annual Accounts by the line 'Introduction of Assets'.

Finally, funds were set aside in the value of £6,500 as a starting point to facilitate any ownership opportunity in relation to the rolling stock.

The relevant Board members are attending the Charity Finance Reserves Policy Training scheduled for 02/07/26 in order to ensure our reserves policy is compliant with existing guidelines,

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). We plan to:

- update our Rules to include 'sunset clause' and lifetime membership for ratification at our next AGM
- formalise our associate trustees onboarding process
- review and further elaborate on our reserves policy
- instigate a significant volunteer recruitment campaign
- continue ongoing refurbishment of the track
- progress installation of a portacabin/wellbeing location for our volunteers
- completion of the reinforcements to the golf course section of the stream (summer 2026)
- make decision on what happens to third coach John C which is very much degraded and requires a total rebuild – particularly in light of recent communications with the owner
- further development of the layout of children play area and picnic area at Alford Station.
- introduction of junior clubs and children's parties
- ongoing corporate volunteer days

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
    - Analyse income and expenditure trends and devise plans accordingly

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 previous year the board had 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. In the year to 31/3/26, we have received interest from Joan Gilbert-Stevens to come onto the Board and be considered as an Associate Trustee and Treasurer 2.

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

Trustees and Associate Trustees as of May 2026

John Fincham	Yvonne Buckingham	Gloria Malcolm
Carol Sinclair	Karl Stevens	Bob Heath
Bob Humphrey	Jane Booth A/T	Harry Russell A/T
Margery Heath	Joan Gilbert-Stephens	Alan Emslie 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 and as stated at last year's report, 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. A further development in this process may be introduced this year where Associate Trustees will serve for a period of six months (negotiable) at which point there is the hope and expectation that they will come on to the Board as full Trustees with voting powers. There is no formal process for the induction and training of the trustees at present but this is being developed at time of writing. 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

Independent Examiner
Bridgeton Bookkeeping, Alford, AB33 8PX

Bankers
Virgin Money, Aberdeen, AB10 1WD

Trustees report was approved by the trustees on 23/06/26 and signed on their behalf by:

Gloria Malcolm
CHAIR of TRUSTEES