

PADDLE STEAMER PRESERVATION SOCIETY

Report of the Council of Management 2018

The Council of Management presents its Report, which forms the Trustees' Annual Report required by charity law and the Directors' Report required by company law, and the Financial Statements for the year ended 31 December 2018.

The Society is a company limited by guarantee (having no share capital), registered in England and Wales No. 2167853, and a charity registered in England and Wales (No. 298328) and in Scotland (SC037603). The Society is governed by its Articles of Association and these set out the Society's objects which may be summarised as to preserve in operation paddle steamers, to educate the public in their historical significance and to preserve and exhibit a collection of equipment and material associated with paddle steamers. The Society's principal activities are to assist in the preservation in sailing condition of the Paddle Steamers Waverley and Kingswear Castle and to maintain a collection of historical material relating to paddle steamers.

The Society provides public benefit by making grants to charities to enable them to maintain their vessels so the public may sail on them; by maintaining a collection of artefacts accessible for research purposes; by holding public meetings relating to paddle steamers; and by publishing current and historical information relating to paddle steamers. The trustees have paid due regard to Charity Commission guidance on public benefit in deciding what activities the Society should undertake.

Structure of the Society

The Council of Management are the Society's charity trustees. The methods of appointment are as follows:

Method of Appointment	Number
Members of the Society elected by postal ballot of the membership	7
One member of the Society from each Branch of the Society nominated by the member's Branch Committee	5
One representative appointed by Waverley Steam Navigation Co Limited	1
One representative appointed by Paddle Steamer Kingswear Castle Trust Limited	1
One representative appointed by Loch Lomond Steamship Company	1
Members co-opted by Council until next AGM	2
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The Council of Management controls the Society and met three times in 2018 in London and Glasgow. The Society operates both at UK and local levels, through five area Branches. The five Branches organise public meetings in winter, arrange outings, assist in promoting sailings and carry on fund raising in summer. Members also participated in working parties on P.S. Waverley at Glasgow. The five Branch Committees are given delegated authority over 20% of the subscription income attributed to their areas and promote the Society and organise activities locally.

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Society Accounts and Membership

The Society Accounts for 2018 show a net expenditure of £63,348 (2017: net income of £199,249). At 31 December 2018 the unrestricted funds comprised the General Fund standing at £76,471 (2017: £107,258) and the Archive Development Fund at £47,472 (2017: £48,651) while the restricted funds of the Restoration and Preservation Fund (devoted to Paddle Steamers Waverley and Kingswear Castle) stood at £421,521 (2017: £451,672), of which £1,253 (2017: £11,662) was specifically for Waverley and £7,763 (2017: £7,656) specifically for Kingswear Castle. The Society is fortunate to benefit from sometimes very substantial bequests from its members and supporters and in 2018 £15,728 (2017: an exceptional total of £278,985) was received.

The Society has no paid employees so its achievements reflect members' voluntary efforts. These cover a wide range of skills and are essential to the continued successful operation of the Society. The Council of Management acknowledges gratefully all contributions great and small.

The Society's membership stood at 2,474 at 31 December 2018 (2017: 2,419) made up as shown:

	Bristol Channel	London and Home Counties	North of England and North Wales	Scottish	Wessex and Dart	Total
Full	74	148	50	250	62	584
Senior	198	304	72	328	148	1,050
Associate	70	128	28	139	45	410
Young Persons	3	2	2	13	2	22
Life	54	129	31	99	61	374
Honorary	6	7	-	16	5	34
Total	405	718	183	845	323	2,474

There was a net increase of 55 members during 2018, a rise of 2.3%.

The Society has five main reasons to hold reserves:

- i. To maintain the operation of the Society, including delivering annual and life subscriptions paid in advance. The Council of Management has set this sum at £50,000.
- ii. To continue the development of its Archive Collection. The Council of Management has designated the Archive Development Fund of £47,472 for this activity.
- iii. To provide for the refit or repair of P.S. Waverley should WSN not have funds to do so. The Council of Management believes this reserve should be £500,000, to be drawn down when needed.
- v. To provide a sum as match-funding for a possible future grant application by WSN. At 31 December 2018 £60,316 was set aside for this purpose.

The Society has not adopted a formal fundraising policy. However, its fundraising efforts, which are all volunteer-led, are largely directed towards its members. The only material exceptions have been the sale of lottery tickets to passengers on board Waverley and the

promotion of special cruises on Waverley. New members are recruited by the use of leaflets, through the Society's web site and social media channels.

Majority Shareholdings

The Society is the majority shareholder in Waverley Steam Navigation Co. Ltd. (WSN) (itself a registered Scottish charity - SC005832)). P.S. Waverley is owned on behalf of the Society by WSN and operated by Waverley Excursions Ltd., a wholly owned subsidiary of WSN.

The Society is also the majority shareholder in P.S. Kingswear Castle Trust Ltd. (PSKCT) (itself a charity registered in England and Wales as no. 299931). Paddle Steamer Kingswear Castle is owned on behalf of the Society by PSKCT. Since 2013 she has been chartered on a long-term basis to Dart Pleasure Craft Ltd (DPC) who are operating her on Dartmouth harbour cruises and between Dartmouth and Totnes. DPC is a wholly owned subsidiary of Dart Valley Railway Limited (DVR), in which the Society has a small shareholding. It should be noted that although DPC, as charterer, is responsible for the bulk of maintenance, PSKCT retains the responsibility as owner to fund major renewals, such as of the hull, boiler and main engine. For this reason, the Society previously granted PSKCT £333,709 to form a long term maintenance reserve.

Supporting Waverley

Supporting P.S. Waverley to ensure she continues to operate remains the top priority of the Society. In 2018 the Society continued its policy of providing financial support to WSN. The Society gave a grant of £72,465 to fund vital work on the rudder and renewal of the rudder stock.

The Scottish Branch has arranged some very successful charters of P.S. Waverley for a number of years and again their charter of Waverley in 2018 generated a surplus. The Scottish Branch continued its policy of supporting Waverley by awarding grants to WSN. In 2018 they passed £9,000 to WSN towards the rudder repairs and a replacement fire suppression system in the galley. The Scottish Branch held a Waverley Grand Draw during 2018 and proceeds (£5,757) from that were passed to WSN as a grant.

In total, including a raffle and the final £120 from the Barnes Bequest, £87,585 was contributed to WSN during 2018 from the Society to keep Waverley in sailing condition.

Supporting Kingswear Castle

During 2018, P.S. Kingswear Castle continued to be operated successfully by DPC with no requirement for funding from PSPS or from the owning Trust.

Supporting other Paddle Steamers

The Society also supports financially the preservation of P.S. Maid of the Loch, which is owned by Loch Lomond Steamship Company (LLSC), an independent Scottish charity (SC024062). LLSC is one of the bodies to which the Society is allied, having aims related to the preservation of large pleasure steamers, and with which close links are maintained.

In September 2018 LLSC were notified that their Heritage Lottery Fund (HLF) bid for £3.8m had been unsuccessful. The Society had pledged to contribute £50,000 towards the matched funding and, following the announcement, the PSPS Council agreed to renew the pledge towards the now proposed staged project.

Communication

The Society communicates to its members by publishing a quarterly Journal *Paddle Wheels*. During 2017 there were significant change to the format, printing and distribution methods, and these were well received as well as significantly reducing costs.

The Society also communicates with non-members through its website (www.paddlesteamers.org), Facebook page, Twitter and Instagram accounts, and YouTube Channel. All of these continued to be updated regularly with news about our ships and feature articles and postings of wider paddle steamer interest.

PSPS Collection

The Society has a specialised Archive Collection which is currently valued at £48,932 (2017: £50,742). The Collection has been accumulated over the 59 years of the Society's existence and ranges from ship models to ship's furniture, sailing handbills, postcards, pictures/slides and company records.

To fulfil its educational role the Society is working to make its collection more accessible for research with a number of objects already on loan for display purposes to appropriate museums. During 2018 further artefacts were donated to the Collection including additional items from the family of Ted Groom which added to his collection already in the ownership of the archive.

A sub-committee of three, including two Council of Management trustees, has responsibility for managing the collection. One trustee deals with the day to day running. Long and short term plans have been created and a five-year budget has been approved. The Archive Development Fund (which partially funds this work) has benefited from contributions from individuals. In addition, the Council of Management has decided to add 5% of non-specific bequests to the Fund.

The London & Home Counties and the Scottish Branches both donated funds for the purchase of box binders and polyester sleeves which has enabled the archive to continue to improve the storage of its slides, negatives and postcard collections. The Scottish Branch also paid for the purchase of the Bell of PS Jeanie Deans.

The volunteer team continues to catalogue non-accessioned items and has focused on specific collections. The reorganisation of the postcard collection is nearing completion as is the slide collection which is also being scanned.

Preparations are underway for displaying part of the collection on the Society's website.

Development of the Society

During 2018, targeted short term social media advertising together with reduced rates for new members achieved a slight increase in membership, the first rise in many years. However the Friends of Waverley membership scheme run by WSN was still seen as competing with PSPS for members, and by the end of 2018 there were positive signs that the climate was becoming right for bringing the two organisations together, thereby creating one supporters' organisation for paddle steamers, and for Waverley in particular.

The 2018-2021 PSPS Development Plan was formally approved by the Council of Management on 23 June 2018. During the remainder of the year much progress was made to implement aspects of the Plan, but considerable work remained to be done in future years.

As 2019 marks 60 years since the foundation of the Society, planning commenced on a number of celebratory events in local areas, together with a book and DVD to commemorate the anniversary.

Trustees

The Council of Management (the Society's Trustees and Directors) approved this report on 9 March 2019. They received no remuneration for their services and are listed below:

Elected Members (Up to seven)

Myra Allen

John Anderson

Richard Clammer (3)

David Haddleton (Retired 17.11.18)

Jon Jolliffe

Martin Longhurst (Treasurer)

Paul Semple (Chairman to 31.1.19) (1) (2 from 19.12.18)

Peter Morley (Company Secretary) (Appointed 17.11.18)

Branch Representatives (Up to five)

Andrew Munn (Wessex and Dart) (Resigned 6.1.19)

David Green (London and Home Counties)

Angela Johnson (North of England and North Wales) (National Secretary)

Noel Kemp (Bristol Channel)

Gordon Wilson (Scottish) (Vice Chairman) (Membership Secretary)

Representative of Waverley Steam Navigation Co. Ltd. (May appoint one trustee)

Lawrie Sinclair (1 & 2) (Resigned 13.12.18)

Representative of P.S. Kingswear Castle Trust Ltd. (May appoint one trustee)

John Megoran (1 & 2 until 13.12.18) (3)

Representative of Loch Lomond Steamship Co. (May appoint one trustee)

John Beveridge

Members co-opted by Council until next AGM (Up to two)

David Haddleton (Appointed 24.11.18)

Iain Dewar (Resigned 10.3.18)

Peter Morley (Company Secretary) (Retired 17.11.18)

Directorships of related party companies:

(1) Waverley Steam Navigation Co. Ltd.

(2) Waverley Excursions Ltd.

(3) Paddle Steamer Kingswear Castle Trust Ltd.

Peter Morley

Company Secretary and Trustee

9 March 2019

Registered Office: Mayfield, Hoe Lane, Abinger Hammer, Dorking, RH5 6RS

PADDLE STEAMER PRESERVATION SOCIETY

Statement of Financial Activities for the Year ended 31 December 2018
incorporating the Income and Expenditure Account

	2018			2017		
	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
	£	£	£	£	£	£
Income from:						
<i>Membership subscriptions</i>	36,375	-	36,375	35,607	-	35,607
<i>Donations</i>	24,847	24,604	49,451	28,517	18,327	46,844
<i>Legacies</i>	721	15,009	15,730	129,595	149,390	278,985
Total donations and legacies	61,943	39,613	101,556	193,719	167,717	361,436
Charitable activities	13,333	-	13,333	9,617	-	9,617
<i>Lottery sales</i>	5,801	1,320	7,121	7,386	4,635	12,021
<i>Other trading activities</i>	12,592	-	12,592	10,564	-	10,564
Total trading activities	18,393	1,320	19,713	17,950	4,635	22,585
Investments	3,601	5,704	9,305	2,679	5,020	7,699
Total	97,270	46,637	143,907	223,965	177,372	401,337
Expenditure on:						
<i>Sailing expenses</i>	6,661	-	6,661	5,333	-	5,333
<i>Lottery prizes and expenses</i>	1,525	500	2,025	1,305	4,200	5,505
<i>Other</i>	10,837	-	10,837	8,298	-	8,298
Raising funds	19,023	500	19,523	14,936	4,200	19,136
<i>Grants for P.S. Waverley</i>	15,000	72,585	87,585	15,901	127,821	143,722
<i>Grants for P.S. Maid of the Loch</i>	52,600	-	52,600	-	-	-
<i>Paddle Wheels Journals and Newsletters</i>	12,846	-	12,846	18,392	-	18,392
<i>Archive Collection</i>	17,624	-	17,624	16,535	-	16,535
<i>Public Meetings</i>	3,943	-	3,943	4,850	-	4,850
Charitable activities	102,013	72,585	174,598	55,678	127,821	183,499
Other	9,431	-	9,431	9,293	-	9,293
Total	130,467	73,085	203,552	79,907	132,021	211,928
Net gains/(losses) on investments	-	(3,703)	(3,703)	-	9,940	9,940
Net income/(expenditure) for the year	(33,197)	(30,151)	(63,348)	144,058	55,291	199,349
Transfers between funds	-	-	-	-	-	-
Net movement in funds	(33,197)	(30,151)	(63,348)	144,058	55,291	199,349
Reconciliation of funds:						
Total funds brought forward	326,159	451,672	777,831	182,101	396,381	578,482
Total funds carried forward	292,962	421,521	714,483	326,159	451,672	777,831

All gains and losses recognised in the year are included above and all are derived from continuing activities.

PADDLE STEAMER PRESERVATION SOCIETY

Balance Sheet at 31 December 2018

Note ref.		Total funds 2018 £	Total funds 2017 £
	Fixed assets:		
2	Heritage assets	48,932	50,742
3	<i>Programme related investments</i>	118,385	118,385
5	<i>Other investments</i>	130,642	134,345
	Investments	249,027	252,730
	<i>Total fixed assets</i>	297,959	303,472
	Current assets:		
6	Debtors	2,782	2,316
	Cash and cash equivalents	520,557	454,220
	Notice deposits (between 4 and 12 months)	170,205	170,205
	<i>Total current assets</i>	693,544	626,741
	Liabilities:		
7	Creditors: Amounts falling due within one year	(24,688)	(26,341)
	<i>Net current assets or liabilities</i>	668,856	600,400
	<i>Total assets less current liabilities</i>	966,815	903,872
8	Creditors: Amounts falling due after more than one year	(7,816)	(8,840)
9	Provisions for liabilities	(127,315)	-
4.4	Provision for doubtful debts	(117,201)	(117,201)
	Total net assets or liabilities	714,483	777,831
10	The funds of the charity:		
	<i>Restricted funds</i>	380,880	407,327
	<i>Revaluation reserve</i>	40,641	44,345
	Total restricted funds	421,521	451,672
	<i>General Fund</i>	76,471	107,258
	<i>Dyer Bequest</i>	128,970	127,184
	<i>Archive Development Fund</i>	47,472	48,651
	<i>Museum Collection Reserve</i>	40,049	43,066
	Total unrestricted funds	292,962	326,159
	Total charity funds	714,483	777,831

For the year ending 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts;
- these accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

They were approved by the Council of Management on 9 March 2019 and signed on its behalf by Martin Longhurst.

Martin R Longhurst

PADDLE STEAMER PRESERVATION SOCIETY
Statement of cash flows for the year ended 31 December 2018

	Total funds 2018 £	Prior year funds 2017 £
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	57,832	186,278
Cash flows provided by (used in) investing activities:		
Dividends and interest from investments	10,501	7,205
Notice deposits (between 4 and 12 months)	-	(94,205)
Purchase of Investments	-	(30,000)
Purchases for Archive Collection	(1,996)	-
<i>Net cash provided by (used in) investing activities</i>	<i>8,505</i>	<i>(117,000)</i>
<i>Change in cash and cash equivalents in the year</i>	<i>66,337</i>	<i>69,278</i>
Cash and cash equivalents at the beginning of the year	454,220	384,942
Cash and cash equivalents at the end of the year	520,557	454,220
 Reconciliation of net income/(expenditure) to net cash flow from operating activities		
Net income/(expenditure) for the year (as shown on the statement of financial activities)	(63,348)	199,349
Adjustments for:		
Depreciation charges	5,716	5,521
(Gains)/losses on investments	3,703	(9,940)
Donations to Archive Collection	(1,910)	-
Dividends and interest from investments	(10,501)	(7,205)
(Increase)/decrease in debtors	(466)	(416)
Increase/(decrease) in creditors and provisions	124,638	(1,031)
Net cash provided by (used in) operating activities	57,832	186,278
 Analysis of cash and cash equivalents		
Cash in hand	350,557	302,456
Notice deposits (less than 3 months)	170,000	151,764
Total cash and cash equivalents	520,557	454,220

NOTES TO THE ACCOUNTS

1. Format of Accounts and Accounting Policies:

1.1. **Basis of accounts:** These Accounts have been prepared in line with Financial Reporting Standard 102 (FRS102) and the Charities' Statement of Recommended Practice (SORP2015) but do not fully comply with them (see note 1.2). They were prepared in accordance with applicable company and charity law. The accounts are prepared on an income and expenditure basis. The society is a public benefit entity. Despite the departures set out in Note 1.2, the Council of Management has concluded that the accounts present a true and fair view of the Society's financial position.

1.2. Departures from FRS102 & SORP 2015:

1.2.1. **Group accounts:** As permitted by Section 405 of the Companies Act 2006, the Council of Management has not prepared group accounts on the grounds that as the subsidiaries are constituted as charities there are severe long-term restrictions over the assets of the subsidiaries and that disproportionate expense would be incurred in the preparation of group accounts. See note 4 for details of subsidiary undertakings' results. The Standards require Group Accounts.

1.2.2. **Legacies:** These are recognised at the time of receipt and no allowance is made for the undistributed part of any legacies due. The Standards require inclusion in Income upon notification.

1.2.3. **Loans to Waverley Steam Navigation Co Limited (WSN):** These are shown at their full value within Total Assets although a full doubtful debt provision has been made and is included in Liabilities, reflecting the fair value of the loans. The Standards require loans to be shown at their fair value which would mean neither balance would be disclosed.

1.3. **Annual Membership subscriptions:** As the subscription year runs from August to July for the bulk of members, this income is apportioned between the appropriate financial years.

1.4. **Life Membership Equalisation Account:** Life membership subscriptions are credited to this account upon receipt and are then recognised as Income in equal instalments over 20 years.

1.5. **Donated Heritage Assets for Archive Collection:** These are recognised at their estimated market value.

1.6. **Stocks:** Stocks of unsold goods, if any, are valued at the lower of cost or realisable value.

1.7. **Investments:** Programme related investments are included at their nominal value or historical cost less impairment. Investments held to generate income or for their investment potential are valued at fair value.

1.8. **Gains/losses on investments:** Gains and losses are recognised in the year they arise. Unrealised gains or losses are added to or deducted from the Fund to which the investment relates and the total is shown in the Revaluation Reserve.

1.9. **Grants:** Liabilities arising from grant commitments made by the Society are recognised by creating a provision pending the fulfilment of conditions at which point the obligation becomes binding.

2. **Heritage Assets - Archive Collection:** The Society owns a collection of relics relating to paddle steamers. It was valued at market value at 31 December 2001 and is now depreciated over 20 years on a straight line basis. Movements in 2018 may be summarised as follows:

	Donated At valuation £	Purchased At cost £	Total £
Carrying amount at 1 January	43,065	7,677	50,742
Additions	1,910	1,996	3,906
Disposals	-	-	-
Depreciation/impairment	(4,926)	(790)	(5,716)
Revaluation	-	-	-
Carrying amount at 31 December	40,049	8,883	48,932

Accounting standards also require the publication of a five year summary

Summary analysis of heritage asset transactions

	2018 £	2017 £	2016 £	2015 £	2014 £
Purchases	1,996	-	1,738	-	554
Donations	1,910	-	1,750	600	350
Total additions	3,906	-	3,488	600	904
Charge for depreciation					
Donated items	(4,926)	(4,831)	(4,831)	(4,743)	(4,713)
Purchased items	(790)	(690)	(690)	(603)	(603)
Total charge for depreciation	(5,716)	(5,521)	(5,521)	(5,346)	(5,316)

There were no disposals during the five year period.

3. **Programme related investments** are as follows:

	2018 £	2017 £
Shares in Paddle Steamer Kingswear Castle Trust Limited (PSKCT)	55	55
Shares in Waverley Steam Navigation Company Limited (WSN)	51	51
Loans to WSN	117,201	117,201
Shares in Dart Valley Railway Limited (DVR)	1,078	1,078
	<u>118,385</u>	<u>118,385</u>

4. **Programme related investments**

4.1. **Subsidiary undertakings:**

4.2. The holding of shares in PSKCT, the owner of P.S. Kingswear Castle, represents 83% of shares issued. The shares are shown in the accounts at their nominal value as shareholders in the Trust cannot benefit from their holdings, as it is constituted as a charity (registered in England and Wales as no. 299931). At 30 April 2018 the aggregate amount of its capital and reserves was £834,803 (2017 restated - £888,717), both including £333,709 transferred from PSPS, and its net expenditure for the year then ended was £36,540 (2017 restated - net income of £6,418).

4.3. The holding of shares in WSN, the owner of P.S. Waverley, represents 70% of shares issued. The shares are shown in the accounts at their nominal value as shareholders in the Company cannot benefit from their holdings, as it is constituted as a charity (registered in Scotland as no. SC005832). At 31 October 2017 the aggregate amount of its group capital and reserves was £3,106,594 (2016 restated - £3,382,219) and its group net expenditure for the year then ended was £275,625 (2016 restated - £59,533).

4.4. The Loans to WSN are interest free and are repayable on two years' notice expiring on 31 March in any year. Full provision of £117,201 has previously been made to reflect the likelihood of repayment of the long-term loan balance.

4.5. **Other programme related investment:**

4.6. The shares in DVR were donated to the Society. DVR is the ultimate holding company of Dart Pleasure Craft Limited, charterers of P.S. Kingswear Castle. They are shown at their value at the date of acquisition.

5. **Other Investments** held to generate income or for their investment potential consisted of a holding in Charities Official Investment Fund Income Units in both 2017 and 2018.

6. **Debtors** consisted of prepayments and accrued income in both 2017 and 2018.

7. **Creditors: Amounts falling due within one year** are made up as follows:

	2018 £	2017 £
Trade creditors	(2,910)	(5,125)
Annual subscriptions in advance	(20,752)	(20,142)
Life Membership Equalisation Account	(1,024)	(1,074)
	<u>(24,686)</u>	<u>(26,341)</u>

8. **Creditors: Amounts falling due after more than one year** are made up as follows:

	2018 £	2017 £
Life Membership Equalisation Account	<u>(7,816)</u>	<u>(8,840)</u>

9. **Provisions for Liabilities** may be analysed as follows:

	Total 2018 £	Total 2017 £
Carrying amount at 1 January	-	-
Loan converted to grant	-	-
Grant paid	-	-
Grant commitments made	(127,315)	-
Carrying amount at 31 December	<u>(127,315)</u>	-

10. Fund movements: The movements in each of the Society's funds may be summarised as follows:

Fund name	Fund balances brought forward	Income	Expenditure	Transfers	Gains and losses	Fund balances carried forward
	£	£	£	£	£	£
Restricted funds						
Restoration and Preservation Fund						
General	388,012	35,723	(500)	(51,371)	-	371,864
P.S. Waverley	11,660	10,687	(72,465)	51,371	-	1,253
P.S. Kingswear Castle	7,656	107	-	-	-	7,763
Barnes Bequest	-	120	(120)	-	-	-
Revaluation reserve	44,344	-	-	-	(3,703)	40,641
Total restricted funds	451,672	46,637	(73,085)	-	(3,703)	421,521
Unrestricted funds						
General Fund	107,258	91,540	(125,541)	3,214	-	76,471
Dyer Bequest	127,184	1,786	-	-	-	128,970
Archive Development Fund	48,651	2,035	-	(3,214)	-	47,472
Archive Collection Reserve	43,066	1,910	(4,927)	-	-	40,049
Total unrestricted funds	326,159	97,271	(130,468)	-	-	292,962
Total Funds	777,831	143,908	(203,553)	-	(3,703)	714,483

11. **Restricted Funds** comprise the Restoration and Preservation Fund, which holds funds received for or allocated to P.S. Waverley and P.S. Kingswear Castle, either in general or specifically and the **Barnes Bequest** which was specifically intended for the Waverley and an immediate grant was paid to WSN for the full amount of the bequest. The **Revaluation Reserve** represents the unrealised gain on investments allocated to the Restoration and Preservation Fund. The **Dyer Bequest** is for the Society's general purposes, but its use is subject to consultation with the Wessex and Dart Branch. The **Archive Development Fund** has been designated for the development of the conservation of and access to the Archive Collection. The **Archive Collection Reserve** represents the value of donated items, after deducting accumulated depreciation.
12. **Grants** All grants made were to other charities in pursuit of the Society's objects of preserving in operation paddle steamers and maintaining a collection of historical material relating to paddle steamers. In general, grants are only made towards work on the fabric of the vessels supported.
13. **Commitments:** At 31 December 2018 there were no unprovided commitments (2017: Nil).
14. **Related Party Transactions:** The Society is related to the following companies because it has a majority shareholding, as described in the Trustees Report.
- 14.1. Paddle Steam Kingswear Castle Trust Ltd (PSKCTL)
- 14.1.1. During 2018 the Society made a grant of £1,310 (2017: £1,300) to PSKCT towards storage costs.
- 14.1.2. There was no balance outstanding at either year-end.
- 14.2. Waverley Steam Navigation Co Ltd (WSN)
- 14.2.1. The Society had outstanding loans of £117,201 to WSN at 31 December 2018 (2017: £117,201).
- 14.2.2. During 2018 the Society made or committed grants of £87,585 (2017: £143,722) to WSN for P.S. Waverley.
- 14.2.3. The Society chartered P.S. Waverley during 2018 at a cost of £6,009 (2017: £4,360).
15. **Trustee Remuneration:** None of the trustees have been paid any remuneration or received any other benefits from an employment with the Society (2017 - Nil). No person connected with a trustee received any remuneration from the Society (2017: Nil).
16. **Trustee Expenses:** 14 trustees received reimbursements of travel and accommodation costs incurred in the course of their duties totalling £3,786 (2017 - £3,604).
17. **Staff Costs and Employee Benefits:** Nil (2017 - Nil).
18. **Cost of Independent Examination and Other Financial Services:** £1,120 was accrued for independent examination services (2017 - £1,200) and no other services were provided to the Society (2017 - Nil).

INDEPENDENT EXAMINER'S REPORT

Report to the Directors/members of the Paddle Steamer Preservation Society on the accounts for the year ended 31st December 2018.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

As the trustees of the Society (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 ('the 2005 Act'), the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006 ('the 2006 Act'). You are satisfied that the accounts of the Society are not required by charity or company law to be audited and have chosen instead to have an independent examination.

Having satisfied myself that the accounts of the Society are not required to be audited under part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Society's accounts carried out under section 44 (1) (c) of the 2005 Act and section 145 of the Charities Act 2011 ('the 2011 Act').

In carrying out my examination I have followed the requirements of Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

BASIS OF INDEPENDENT EXAMINER'S STATEMENT

Since the Society is required by company law to prepare its accounts on an accruals basis and is registered as a charity in Scotland your examiner must be a member of a body listed in Regulation 11(2) of the Charities Accounts (Scotland) Regulations 2006 (as amended). I can confirm that I am qualified to undertake the examination because I am a registered fellow member of the Association of Accounting Technicians and The Association of Charity Independent Examiners which are listed bodies.

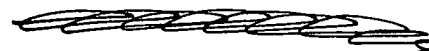
INDEPENDENT EXAMINER'S STATEMENT

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- i. accounting records were not kept as required by section 386 of the 2006 Act and Regulation 4 of the 2006 Accounts Regulations; or
- ii. the accounts do not accord with those records with the accounting requirements of Regulation 8 of the Charities Accounts (Scotland) Regulations 2006; or
- iii. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
- iv. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities, except as disclosed in the Notes to the Accounts.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

C.B Maizi FMAAT FCIE
Independent Examiners Ltd
Poplars
Yapton Lane
Walberton
West Sussex
BN18 0AS



Dated: 12th September 2019
