

PADDLE STEAMER PRESERVATION SOCIETY

REPORT OF THE COUNCIL OF MANAGEMENT 2016

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 2016. Up to date news about the Society's activities can be found in our journal *Paddle Wheels* and from our web site at www.paddlesteamers.org.

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 relics and other materials 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.

The Society operates both at UK and local levels, through five area Branches. The Council of Management controls the Society and met four times in 2016 in London, Glasgow and Balloch. 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.

The five Branches organise public meetings in winter and assist in promoting sailings and carry on fund raising in summer. Members also participated in working parties on P.S. Waverley at Glasgow.

Branch	Venues of public meetings
Bristol Channel	Bristol and Cardiff
London and Home Counties	Central London and Southend
North of England and North Wales	York and Liverpool
Scottish	Glasgow
Wessex and Dart	Bournemouth, Kingswear, East Cowes and Southampton

The Council of Management are the Society's charity trustees. There may be up to 21 members. The methods of appointment are as follows:

Method of Appointment	Number
Members of the Society elected by postal ballot of the membership	9
One member of the Society from each Branch of the Society nominated by the member's Branch Committee	5
The Chairman of and one other representative appointed by Waverley Steam Navigation Co Limited	2
The Chairman of and one other representative appointed by Paddle Steamer Kingswear Castle Trust Limited	2
One representative appointed by Loch Lomond Steamship Company	1
Members co-opted by Council until next AGM	2
	21

P.S. Waverley is owned on behalf of the Society by Waverley Steam Navigation Co. Ltd. (WSN) (itself a registered Scottish charity - SC005832)) and operated by Waverley Excursions Ltd., a wholly owned subsidiary of WSN. In 2016 the Society continued its policy of providing financial support to WSN to help keep Waverley in sailing condition. To mark the fortieth anniversary of Waverley's first sailing in preservation in 2015, the Society launched a special appeal to fund essential renewals on the vessel, including replacing the steamer's life expired masts and deck repairs. The appeal raised £35,638 and a grant of this sum was made in 2016.

The Scottish Branch have arranged some very successful charters of the Waverley in previous years and in 2016 used £18,000 of the surpluses as a grant for replacement paddle floats. In addition, the Branch passed the net proceeds of their Draw of £11,760 as a grant to WSN, together with a further £1,007 of support. Finally, in December 2015 it was agreed that a bequest of £12,539 for Waverley should be passed to WSN. This was completed in 2016 but was included in 2015's expenditure.

P.S. Kingswear Castle is owned on behalf of the Society by Paddle Steamer Kingswear Castle Trust Ltd. (PSKCT), a charity registered in England and Wales as no. 299931. 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 PLC (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. In March 2016 the main engine from P.S. Compton Castle, acquired by PSKCT in 2014, was delivered to Kingswear Station and placed in the care of DVR.

In 1987 a tiny crack developed on one of the lugs to which a stay bar is attached on the external part of the casting of Kingswear Castle's low pressure cylinder. This was repaired at the time but, during the 2016 season, the crack re-appeared. Consequently, it was decided to start on a rebuild of her engine, with the first part being to cast a new low pressure cylinder. This work, which will be funded by PSKCT, is being undertaken through the notable railway engineering workshop at Tyseley.

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 2015 LLSC were awarded a First Stage Heritage Lottery Fund grant of £263,996 to enable complete plans and specifications for the rebuilding project to be prepared. Successful completion of this stage would pave the way for a full grant of £3.8m but this will need £1.7m of matched funding. To assist the progress of this project, the Society made a grant of £10,165 in 2016. This was the final tranche of the £50,000 pledged and allowed for in 2010. In addition, the Society made small grants to LLSC totalling £1,088, primarily to fund the new Education Suite on the vessel.

The Society has a specialised Archive Collection which is currently valued at £56,263 (2015: £58,296). The Collection has been accumulated over the 57 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.

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 and the Society's Scottish Branch. In addition, the Council of Management has decided to add 5% of non-specific bequests to the Fund.

With the help of the volunteer team, more sensitive artefacts have been relocated into new premises which have more appropriate environmental and working conditions; a book library has been created; and the large items collection has been reorganised. The team is now focused on cataloguing non-accessioned collections.

The Society Accounts for 2016 show a net income of £146,128 (2015: net income of £36,271). At 31 December 2016 the unrestricted funds comprised the General Fund standing at £86,820 (2015: £94,086) and the Archive Development Fund at £47,385 (2015: £39,014) while the restricted funds of the Restoration and Preservation Fund (devoted to Paddle Steamers Waverley and Kingswear Castle) stood at £396,381 (2015: £248,277), of which £30,041 (2015: £40,011) was specifically for Waverley and £7,556 (2015: £7,433) specifically for Kingswear Castle. The Society is fortunate to benefit from sometimes very substantial bequests from its members and supporters and in 2016 a total of £152,037 (2015: £26,343) 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 2,543 at 31 December 2016 (2015: 2,635) made up as shown:

	Bristol Channel	London and Home Counties	North of England and North Wales	Scottish	Wessex and Dart	Total
Full	80	131	47	179	51	488
Senior	236	318	73	329	166	1,122
Associate	83	130	31	147	56	447
Junior		1	2	7	1	11
Life	71	154	33	112	68	438
Honorary	6	8	1	16	6	37
Total	476	742	187	790	348	2,543

There was a net reduction of 92 members during 2016, a fall of 3.6%.

The Society has three main reasons to hold reserves:

- i. To maintain the operation of the Society, including 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 £47,385 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 rebuilt to a level approaching £500,000, representing a sum equivalent to an annual refit of Waverley. At 31 December 2016 this reserve stood at £425,645 (2015: £274,764).

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 and through the Society's web site.

The Council of Management (the Society's Trustees and Directors) approved this report on 11 March 2017. They received no remuneration for their services and are listed below:

Elected Members (Up to nine)

Myra Allen
John Anderson (Secretary)
Richard Clammer (3)
Iain Dewar (Chairman)
David Haddleton
Jon Jolliffe (Membership Secretary)
Martin Longhurst (Treasurer)
Douglas McGowan (3) (Resigned 19.11.16)
Paul Semple (1)

Branch Representatives (Up to five)

Richard Engert (Wessex and Dart) (Resigned 19.11.16)
David Green (London and Home Counties)
Angela Johnson (North of England and North Wales)
Noel Kemp (Bristol Channel)
Gordon Wilson (Scottish)

Representatives of Waverley S. N. Co. Ltd. (May appoint two trustees)

Lawrie Sinclair (1 & 2)

Representatives of P.S. Kingswear Castle Trust Ltd. (May appoint two trustees)

Jeremy Gold (3) (Vice-chairman) (Resigned 19.11.16)
John Megoran (1, 2 & 3) (Also represents Wessex and Dart Branch)

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

John Beveridge (4)

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

Nick James (Resigned 19.11.16)

Directorships of related party companies:

- (1) Waverley Steam Navigation Co Ltd
- (2) Waverley Excursions Ltd
- (3) PS Kingswear Castle Trust Ltd
- (4) Loch Lomond Steamship Company

JOHN ANDERSON
Secretary and Trustee
11 March 2017

Registered Office:
17 Stock Field Close, Hazlemere,
HIGH WYCOMBE, HP15 7LA

PADDLE STEAMER PRESERVATION SOCIETY

Statement of Financial Activities for the Year ended 31 December 2016 incorporating the Income and Expenditure Account

	Unrestricted funds	Restricted funds	Total funds	2015 Total funds
	£	£	£	£
Income from:				
<i>Membership subscriptions</i>	35,821	-	35,821	36,269
<i>Donations and legacies</i>	25,693	168,453	194,146	94,838
Total donations and legacies	61,514	168,453	229,967	131,107
<i>Sailing fares</i>	25,783	-	25,783	22,648
<i>Other charitable activities</i>	83	-	83	417
Total charitable activities	25,866	-	25,866	23,065
<i>Lottery sales</i>	12,155	4,889	17,044	17,766
<i>Other trading activities</i>	7,435	-	7,435	1,741
Total trading activities	19,590	4,889	24,479	19,507
Investments	1,420	5,050	6,470	5,840
Total	108,390	178,392	286,782	179,519
Expenditure on:				
<i>Sailing expenses</i>	18,410	-	18,410	18,070
<i>Lottery prizes and expenses</i>	1,427	3,900	5,327	6,199
<i>Other</i>	7,651	-	7,651	3,352
Raising funds	27,488	3,900	31,388	27,621
<i>Grants for P.S. Waverley</i>	30,767	35,638	66,405	67,463
<i>Grants for P.S. Maid of the Loch</i>	1,088	-	1,088	-
<i>Paddle Wheels Journals and Newsletters</i>	21,210	-	21,210	22,135
<i>Archive Collection</i>	15,162	-	15,162	12,935
<i>Public Meetings</i>	5,010	-	5,010	3,936
Charitable activities	73,237	35,638	108,875	106,469
Other	8,641	-	8,641	10,212
Total	109,366	39,538	148,904	144,302
Net gains/(losses) on investments	-	8,250	8,250	1,054
Net income/(expenditure) for the year	(976)	147,104	146,128	36,271
Transfers between funds	(1,000)	1,000	-	-
Net movement in funds	(1,976)	148,104	146,128	36,271
Reconciliation of funds:				
Total funds brought forward	184,077	248,277	432,354	396,083
Total funds carried forward	182,101	396,381	578,482	432,354

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 2016

Note ref.		Total funds 2016 £	Total funds 2015 £
	Fixed assets:		
2	Heritage assets	56,263	58,296
3	<i>Programme related investments</i>	118,385	118,385
5	<i>Other investments</i>	94,405	86,155
	Investments	212,790	204,540
	<i>Total fixed assets</i>	269,053	262,836
	Current assets:		
6	Debtors	1,900	836
	Cash and cash equivalents	384,942	348,797
	Notice deposits (between 4 and 12 months)	76,000	-
	<i>Total current assets</i>	462,842	349,633
	Liabilities:		
7	Creditors: Amounts falling due within one year	(26,298)	(29,135)
	<i>Net current assets or liabilities</i>	436,544	320,498
	<i>Total assets less current liabilities</i>	705,597	583,334
8	Creditors: Amounts falling due after more than one year	(9,914)	(11,075)
9	Provisions for liabilities	-	(22,704)
4c	Provision for doubtful debts	(117,201)	(117,201)
	<i>Total net assets or liabilities</i>	<i>578,482</i>	<i>432,354</i>
10	The funds of the charity:		
	<i>Restricted funds</i>	361,976	222,123
	<i>Revaluation reserve</i>	34,405	26,154
	Total restricted funds	396,381	248,277
	<i>General Fund</i>	86,820	94,086
	<i>Archive Development Fund</i>	47,385	39,014
	<i>Museum Collection Reserve</i>	47,896	50,977
	Total unrestricted funds	182,101	184,077
	<i>Total charity funds</i>	<i>578,482</i>	<i>432,354</i>

For the year ending 31 December 2016 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 11 March 2017 and signed on its behalf by Martin Longhurst.

PADDLE STEAMER PRESERVATION SOCIETY
Statement of cash flows for the year ended 31 December 2016

	Total funds £ 2016	Prior year funds £ 2015
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	108,403	37,922
Cash flows provided by (used in) investing activities:		
Dividends and interest from investments	5,480	5,801
Notice deposits (between 4 and 12 months)	(76,000)	-
Purchases for Archive Collection	(1,738)	-
<i>Net cash provided by (used in) investing activities</i>	<i>(72,258)</i>	<i>5,801</i>
<i>Change in cash and cash equivalents in the year</i>	<i>36,145</i>	<i>43,723</i>
Cash and cash equivalents at the beginning of the year	348,797	305,074
Cash and cash equivalents at the end of the year	384,942	348,797
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)	146,128	36,271
Adjustments for:		
Depreciation charges	5,521	5,346
(Gains)/losses on investments	(8,250)	(1,054)
Donations to Archive Collection	(1,750)	(600)
Dividends and interest from investments	(5,480)	(5,801)
(Increase)/decrease in debtors	(1,064)	149
Increase/(decrease) in creditors	(26,702)	3,611
Net cash provided by (used in) operating activities	108,403	37,922
Analysis of cash and cash equivalents		
Cash in hand	234,933	232,518
Notice deposits (less than 3 months)	150,009	116,279
Total cash and cash equivalents	384,942	348,797

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 4.1 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 2016 may be summarised as follows:

	Donated At valuation £	Purchased At cost £	Total £
Carrying amount at 1 January	50,977	7,319	58,296
Additions	1,750	1,738	3,488
Disposals	-	-	-
Depreciation/impairment	(4,831)	(690)	(5,521)
Revaluation	-	-	-
Carrying amount at 31 December	47,896	8,367	56,263

Accounting standards also require the publication of a five year summary

Summary analysis of heritage asset transactions

	2016 £	2015 £	2014 £	2013 £	2012 £
Purchases	1,738	-	554	432	420
Donations	1,750	600	350	11,458	6,457
Total additions	3,488	600	904	11,890	6,877

Charge for depreciation

Donated items	(4,831)	4,743	4,713	4,696	4,123
Purchased items	(690)	603	603	576	554
Total charge for depreciation	(5,521)	5,346	5,316	5,272	4,677

There were no disposals during the five year period.

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

	2016 £	2015 £
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 plc (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 2016 the aggregate amount of its capital and reserves was £900,115 (2015 - £891,282), both including £333,709 transferred from PSPS, and its excess of income over expenditure for the year then ended was £9,172 (2015 – expenditure over income of £9,139).

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 2015 the aggregate amount of its group capital and reserves was £3,588,972 (2014 - £3,634,694) and its group excess of expenditure over income for the year then ended was £45,722 (2014 - £73,622).

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 Dart Valley Railway plc (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 2015 and 2016.

6. **Debtors** consisted of prepayments and accrued income in both 2015 and 2016.

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

	2016 £	2015 £
Trade creditors	(5,752)	(5,902)
Deferred Income	-	(1,258)
Annual subscriptions in advance	(19,385)	(20,764)
Life Membership Equalisation Account	(1,161)	(1,211)
	<u>(26,298)</u>	<u>(29,135)</u>

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

	2016 £	2015 £
Life Membership Equalisation Account	(9,914)	(11,075)

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

	Committed to WSN £	Committed to LLSC £	Total 2016 £	Total 2015 £
Carrying amount at 1 January	(12,539)	(10,165)	(22,704)	(92,900)
Loan converted to grant	-	-	-	75,000
Grant paid	12,539	10,165	22,704	7,735
Grant commitment made	-	-	-	(12,539)
Carrying amount at 31 December	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,704)</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	174,679	152,601	(3,900)	1,000		324,380
P.S. Waverley	40,011	25,668	(35,638)			30,041
P.S. Kingswear Castle	7,433	123				7,556
Revaluation reserve	26,154				8,250	34,404
Total restricted funds	248,277	178,392	(39,538)	1,000	8,250	396,381
Unrestricted funds						
General Fund	94,086	97,935	(103,695)	(1,506)		86,820
Archive Development Fund	39,014	8,706	(841)	506		47,385
Archive Collection Reserve	50,977	1,750	(4,831)			47,896
Total unrestricted funds	184,077	108,391	(109,367)	(1,000)	-	182,101
Total Funds	432,354	286,783	(148,905)	-	8,250	578,482

- 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. The **Revaluation Reserve** represents the unrealised gain on investments allocated to the Restoration and Preservation Fund. 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 object of preserving in operation paddle steamers. In general, grants are only made towards work on the fabric of the vessels supported.
- 13. Commitments:** At 31 December 2016 there were no unprovided commitments (2015: Nil).
- 14. Related Party Transactions:** The Society is related to the following companies because it has a significant interest through interlocking directorships, as set out in the Trustees Report.
- 14.1. Paddle Steam Kingswear Castle Trust Ltd (PSKCTL)
- 14.1.1. There were no transactions during 2015 or 2016 nor balances 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 2016 (2015: £117,201).
- 14.2.2. During 2016 the Society made grants of £78,944 (2015: £67,463) to WSN for P.S. Waverley, £12,539 of which was made out of provision made in 2015.
- 14.2.3. The Society chartered P.S. Waverley on 20 July 2016 at a cost of £7,350.
- 14.3. Loch Lomond Steamship Company (LLSC)
- 14.3.1. During 2016 the Society made grants of £11,253 (2015: £7,735) to LLSC for P.S. Maid of the Loch, £10,165 of which was made out of provision made in 2010.
- 14.3.2. The Society held a Council meeting on board at a cost of £100.
- 15. Trustee Remuneration:** None of the trustees have been paid any remuneration or received any other benefits from an employment with the Society (2015 - Nil). No person connected with a trustee received any remuneration from the Society (2015: £50).
- 16. Trustee Expenses:** 14 trustees received reimbursements of travel and accommodation costs incurred in the course of their duties totalling £3,339 (2015 - £4,277).
- 17. Staff Costs and Employee Benefits:** Nil (2015 - Nil).
- 18. Cost of Independent Examination and Other Financial Services:** Peter Walker FCCA received £1,110 for independent examination services (2015 - £1,260) and provided no other services to the Society (2015 - Nil).

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE PADDLE STEAMER PRESERVATION SOCIETY

I report on the accounts of the company for the year ended 31 December 2016, which are set out on pages 5 to 10.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) or under Regulation 10 (1)(a) to (c) of The Charities Accounts (Scotland) Regulations 2006 (the 2006 Accounts Regulations) and that an independent examination is needed and I am qualified to undertake the examination by being a qualified member of Association of Chartered Certified Accountants.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 43 of the 1993 Act and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 (the 2005 Act);
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 43(7)(b) of the 1993 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission and is in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006 and section 44(1)(c) of the 2005 Act; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006, section 44(1)(b) of the 2005 Act and Regulation 8 of the 2006 Accounts Regulations; and
- which are consistent with the methods and principles of the Charities' Statement of Recommended Practice (SORP2015)

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Peter Walker
Fellow of the Association of Chartered Certified Accountants
26 High Street
Barry
South Glamorgan
CF62 7EB

Date: 26 April 2017