

THE RAILWAY CORRESPONDENCE AND TRAVEL SOCIETY
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 OCTOBER
2016

This report covers the Society's financial affairs for the year from 1 November 2015 to 31 October 2016.

The overall outcome for the year was a surplus of £7,709 compared to a deficit of £11,434 in the previous year.

It is a Society policy for magazine fees for *The Railway Observer* to cover the costs of its production, printing and despatch. This has been achieved for 2015/16. An allocation has been made from the life membership fund this year. Our policy is to use income from publication sales, bank interest and donations from members to maintain the annual subscription below what would otherwise be needed if all other running costs were to be met directly from the subscription.

Publication sales recovered a little from 2014/15's record low, achieving £13,785 (last year £11,604) and contributed a small surplus of £2,331 (compared to last year's deficit of £516) to our results. Our margins on book sales recovered to a more normal 16.9% with our fixed costs being spread over rather more sales. This year's sales have been assisted by *The Stanier Class 5s Vol 2*, launched just before Year End 2015 with 298 copies sold this year. Publications Stock reduced £4,000 during the year. We are content that sufficient provisions are held to write down stock valuations of slower selling titles.

During the year our major initiative to develop our new website has continued with a further investment of £6,000 (cumulative £9,350) of expenditure capitalised as Work-in-Progress.

In 2015/16 work continued on our preparation of a saleable library of digital images with a further investment of £1,000 in a further 2,200 top quality scanned images. Our library of images has now grown to some 9,000. Promotion was launched on our website last year, and income this year from these sales grew 4% to £4,891.

During the year our new processes to bring greater transparency to Society, and particularly Branch, finances operated well with Croydon & South London Branch increasing their investment with Central funds, and Branch funds totalling £8,750 now held in the national Society funds for safekeeping. This figure is included in our Balance Sheet as both an Asset (at bank) and also shown clearly separately as Creditors due to the Branches when required. Other branches with significant funds have secured an independent audit/examination and confirmation of their Accounts. I thank Branch committees for their help.

Society administration costs reduced significantly during the year, by 17% to £17,905. Expenses included £866 to print the full CIO information booklet sent to every member as part of our successful AGM proposal to convert the Society into a Charitable Incorporated Organisation (CIO). A particular saving was achieved through acquiring a franking machine, achieving discounts on our mailings.

Total bank interest was £923 (£1,066 in the previous year). Donations from members totalled £3,742 (£2,864 last year).

The taxation charge was £213. We are liable for Corporation Tax on our bank interest received.

On the Balance Sheet, our Fixed Assets increased by almost 50% with our ongoing major investment in our Web4 new website project (this year £6,000, cumulatively £9,350). Total value increased to £12,397 (LY £8,296).

Our Working Capital was stable at £156,828 (LY £155,887). Our bank balances reduced £12,000 (8%) with our £6,000 investment in Web4, £2,000 in membership card stationery, £1,500 in RO binders stock, and a further £1,000 in our photographic images library. Book Stock reduced £4,000 to £33,300, and Magazine Fees and Subscriptions creditor more than halved to £8,228 (LY £17,578) with the completion of our three year memberships.

The Management Committee received regular analysis, reporting and review of the Society's financial position during the year.

In carrying out the role of Society Treasurer, I receive invaluable support from my assistant treasurers Bob Ellison and Noel Machell. At Year End Noel retired and I offer my particular thanks for his common sense advice and services to our Publications Committee and I over many years. We welcome Denis Horsman of Thames Valley Branch, as our new Assistant Treasurer – Publications. I am also grateful to John Redgate, Vron and Alan Cooke, Steve Ollive and David Goddard for their substantial input in their roles which helps me with the finances of membership and publications. I am most appreciative of the efforts of Branch Treasurers across the Society, and my particular thanks go to Bob Ellison in pulling all their Branch data together.

A. REG WOOD FCMA CGMA MAPM FMAAT
Society Treasurer

The Railway Correspondence and Travel Society
ACCOUNTS FOR THE YEAR ENDED 31st OCTOBER 2016

REVENUE ACCOUNT
for the year ended 31st October 2016

	2016		2015	
	£	£	£	£
Publication Sales		13785		11604
Cost of Sales		<u>11454</u>		<u>12120</u>
		2331		-516
Add: Other Income				
Magazine Fees	49987		51374	
Subscriptions	4767		4914	
Bank Interest	923		1066	
Sundry	<u>23693</u>		<u>15788</u>	
		<u>79370</u>		<u>73142</u>
		81701		72626
Less: Expenditure				
<i>Railway Observer</i>	44100		48109	
Society administration	17905		21649	
Branch expenditure	170		450	
Sundry activities	9601		11548	
Depreciation	<u>2003</u>		<u>2070</u>	
		<u>73779</u>		<u>83826</u>
Surplus before taxation		7922		-11200
Taxation		<u>213</u>		<u>234</u>
Surplus for the year		7709		-11434
Retained surplus brought forward		96477		107911
Retained surplus carried forward		<u><u>104186</u></u>		<u><u>96477</u></u>

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BALANCE SHEET
as at 31 October 2016

	2016		2015	
	£	£	£	£
ASSETS EMPLOYED				
FIXED ASSETS		12397		8296
CURRENT ASSETS				
Stock	43095		42823	
Debtors and prepayments	8082		12332	
Cash and bank balances	142296		154973	
	<u>193473</u>		<u>210128</u>	
CURRENT LIABILITIES				
Creditors	19489		28200	
Branches Investment Funds	8750		8250	
Taxation	178		213	
Magazine Fees and subscriptions	8228		17578	
	<u>36645</u>		<u>54241</u>	
NET CURRENT ASSETS		156828		155887
NET ASSETS		<u>169225</u>		<u>164183</u>
FINANCED BY:				
Retained Surplus		104186		96477
Library Capital Fund		33036		33036
Life Membership Fund		32003		34670
		<u>169225</u>		<u>164183</u>

A. R. Wood FCMA CGMA MAPM FMAAT
Society Treasurer

REPORT OF THE AUDITORS

We have examined the above Balance Sheet and annexed Income and Expenditure Account in conjunction with the books, records and other information produced to us by the Treasurer. We have not visited branch offices of the Society and our audit of subscriptions, publications and other income has been limited to an examination of returns made by relevant officers of the Society.

We have accepted the valuation of stock made by the Management Committee. The individual branch trading, income and expenses figures are not included within the figures, nor are the balance of funds held at the Balance Sheet date, other than funds forwarded to the Head Office account. Subject to the above, in our opinion, the Accounts give a true and fair view of the state of the Society's affairs at 31 October 2015 and of the results for the year ended on that date.

Albion Dockside Building
Hanover Place
Bristol
BS1 6UT
12 February 2017

R S PORTER AND CO
Chartered Accountants and Registered Auditors