

Half Year Report

Having passed the half way point of the current season, now would appear to be a good time to report on what has been happening on the Railway since the last major update in February of this year.

OPERATIONS

Finance

Gordon Kirk, our General Manager and our staff of employees and volunteers have been faced with a number of challenges all of which they have tackled and overcome with the professionalism that we have come to expect. In particular the warm and dry conditions which have prevailed for much of the year have affected services with the need, on occasion, to place restrictions on the use of steam and in some instances complete substitution with diesel traction. This has had an adverse effect on passenger numbers as has visitors' preference for other outdoor attractions when the weather is good. The what used to be traditional Scottish summer of cloudy and hopefully not too damp conditions, makes the Railway a much better option for a day out than has been the case recently!

Notwithstanding a combination of higher ticket prices, more running days, good party bookings and increased fees for stabling and filming have all contributed to revenue for the half year of C£600K. This is an increase on 2024 and is broadly in line with budget. Full year revenue is predicted to be in the region of £1.9 Million, although much will depend on the weather and whether we need to use diesels which, with apologies to the diesel enthusiasts, does have a negative impact on passenger numbers. As we are currently struggling for diesel drivers, one upside is the increase in opportunities for those who would like to pass out and join the diesel team. In addition to our own service trains, we continue to provide one of our diesels for the Royal Scotsman visits to Boat which this year will increase to 55.

Cost of sales are overall on budget although with some plusses and minuses across the various departments. We remain very reliant on financial and other support for various restoration and new build projects from the Company's supporting entities, in particular the SRA and the Strathspey Railway Trust for which the Company is very grateful.

In summary we are still hoping for an overall post tax profit for the year (hopefully there will not be any tax to pay!) of £140K but as already highlighted this will very much depend on the next two months and the extent to which fire risk may affect the type of services we are able to offer.

Our income is very reliant on Gordon and the team in the office who continue to look at various marketing initiatives designed to attract additional customers.

Fire Risk

As alluded to above and as previously reported, a major lineside fire occurred at Boat on 28 June. Since then, much work has been done to ensure that we avoid, reduce and mitigate a risk which is always an issue when steam is operating in dry and windy conditions.

Filming

This year has seen the Railway host filming for not one but two series of the ever-popular Traitors programme. A celebrity version featuring a host of well-known names will air later this year. Thanks are due to Graham Sutherland and all those staff who worked long hours to meet the requirements of the Production Company and importantly earn a significant filming fee for the Company.

We have also had a film shoot at Boat Station for Joules Clothing.

Diesel Service

An additional diesel service was run in June. Although not attracting many passengers it provided a training opportunity for new drivers. Given, the desperate need for diesel drivers, we are hoping to repeat this in September or October. A meeting was also held recently to discuss ways in which we might encourage more staff, both employees and volunteers, to pass out as drivers. Although we promote ourselves as a steam railway, we are currently very reliant on a small core of drivers to meet the requirements for diesel haulage whether for the Royal Scotsman or when we need to substitute for steam. ***If you are able to help, please contact Gordon.***

Mixed Traction Event/Rail 200

It has been decided to amalgamate the proposed Mixed Traction event with the visit of the Rail 200 train from ***Thursday 16 to Saturday 18 October. Please put these dates in your diary either to help as a volunteer or to turn up and support.***

In addition to a variety of different services, we plan to showcase all our locomotives, steam and diesel, in addition to providing brake van rides at Boat where the Rail 200 train will be stabled during its stay on the Railway.

We are also liaising with the Highland Main Line Community Rail Partnership about installing a “red wheel” transport Heritage plaque at Aviemore station on the first day of the visit.

We are being given the opportunity to mount a display/exhibition in one of Rail 200 carriages which will allow us to focus on the history of the railway, current activities including the promotion of our services and volunteer recruitment.

Station Signs

Additional pictorial signs for the Station at Aviemore have now been installed.

Website

Proposals for a new website are currently being evaluated. It is hoped to have this in place for start of next season.

Retail Shop

With a view to attracting business from both our own and ScotRail passengers, we are considering ways to expand the shop at Aviemore with the introduction of a coffee machine, traveller fayre type products, and local souvenir items. The intention would be to keep the shop open daily if demand warrants.

Festive Services -Elf Express

Tickets are now on sale for the Elf express with about 300 sold to date generating sales of £9K. Kevin Sedgwick and his team have prepared new Elf Express Header boards which will shortly be mounted in the stations along with other advertising. An exciting advertising campaign is being planned which will ramp up as we approach the end of the year.

INFRASTRUCTURE

Broomhill

Those who have been to Broomhill in recent months will have noted that the extension to the platform is now complete. This allows the operation of eight coach trains without the need to lock off carriages which previously could not be accommodated at the platform. Thanks are due to Ian Stanworth, Georgie McNair and the P/W gang whose hard work on this project allows us to deal with longer trains at Broomhill much more efficiently than was previously the case.

Highland Broadband

An agreement with Highland Broadband has resulted in the trackbed being used in connection with the installation of fibre cable. The commercial terms include the Railway having exclusive access to this cable for its IT requirements. Thanks are due to Stephen Muirhead, Colin Stirling, Georgie McNair and Gordon Kirk who led on this project for the Company.

New Running Shed

Planning for the new Running Shed is ongoing with delays due to the need to get competitive steel quotes before we can finalise a detailed costed plan which can be presented to potential funders. In the meantime, Georgie is hoping to complete the track works for the running shed over the summer.

ENGINEERING

Locos

Nathan Lightowler and the shed team have been kept busy ensuring 5025, 46512 and 46464 are available for our service trains. Similarly, Diesels 37 and 27 have had works

completed and are running well. The 31 is available as a backup although it is currently scheduled for bodywork repairs. Subject to the availability of finance, work on the restoration of No 9 continues. Following the kind donation from the Executors of the late Monica Houston, the loco is now owned 75% by the SRC and 25% by the Strathspey Railway Trust.

Carriage & Wagon

The long refurbishment of RU 1936 is now almost complete which will allow remedial work to be carried out on RU 1928.

Upholstering has been completed on the CK which will enable the Company to operate two first class carriages if required.

The Company has recently acquired a much-needed Mark 1 Brake from the North York Moors Railway part financed by the sale of the Mark 1 CL to the East Anglia Railway Museum.

In summary the Company currently has 11 running coaches and with RU 1936 and the return of the newly restored LMS Brake from Lee Sharp, the Railway will have a total of 13 operational coaches.

The C&W team's next project will be the refurbishment of 5055 which will include adaption to accommodate an accessibility space, which will give us a second accessible carriage as a spare for the service set or an accessible facility with a second train.

CORPORATE RESTRUCTURE

Company Secretary

The Board are pleased to announce that Dave Wilson has agreed to take over as Company Secretary when Duncan Gilmour stands down at the Company's AGM in November. Although born in York, Dave moved to Carrbridge in 1970 when he was 11 and started volunteering on the Railway whilst still at school in Grantown-on-Spey. His early memories include going to Kyle as part of the turntable recovery team, travelling down to Perth shed to remove the longitudinal sleepers from the ashpit for use at the newly-possessed Aviemore shed and recovering track from the Marconi site in Edinburgh with the Anderson truck.

Like Duncan, he then paused his active involvement in the Railway to pursue his career. Following a law degree at Edinburgh University he specialised in banking law which took him to London with two years in New York. Apart from the short period when he was in the US, Dave has been a member of the SRA since 1974. Now retired Dave lives in Beaconsfield, Buckinghamshire. As most of the Company's meetings are now held on line and the Company Secretary's work is mainly done away from the Railway, location is not an issue and Dave will of course be available for "in person" meetings such as the AGM.

Dave is now shadowing Duncan until the handover and should be copied into any correspondence to the Company Secretary, dave.wilson@strathspeyrailway.co.uk

Operations Director

Unfortunately, due to a change of job, Aidan Bell has indicated that he will require to step down as a director. To ensure that we can maintain the minimum number of five Board members required by the Company's Articles Association, Aidan has kindly agreed to stay on until we can find a replacement. Aidan's invaluable input to the Railway's operations will be much missed although he still hopes to make occasional visits from Northumberland where he is now living in connection with his new role with the National Trust at Craggside.

ICT Group

Amongst the unsung heroes of the Railway, are the ICT Group (Information Communications Technology) which currently comprises Colin Stirling, Tom Spink, Stephen Muirhead and Grant Ritchie. Having led the Group since 2012 Colin has decided to stand down as lead in favour of Tom although he has agreed to stay involved. During his time in charge, Colin has been instrumental in ensuring that the Railway has kept pace with the rapid changes in technology. Having to deal with third party providers has often been a thankless task involving endless patience to ensure that the Company has the right tech in place meet the requirements of the business; the recent project with Highland Broadband being a good example. The Board is very grateful to Colin for the time he has spent on this essential behind the scenes aspect of our operations and glad to know he will not be stepping away completely. Tom has been with the Railway since 2014 and is a lecturer in Computer Science at the University of St Andrews. In addition to driving IT network infrastructure initiatives, Tom is also involved with S &T and is part of the team running and maintaining the DMU.

New SRC Strategic Board

Context

Having established the management of the day-to-day Railway operations under the General Manager, it is proposed that the SRC Board concentrates on strategic issues with oversight of the finances, regulatory compliance and safety; and a general brief on Railway operations by virtue of the GM being accountable to the Board. It is proposed that the new SRC Board comprises a minimum of 8 Directors – 7 specific roles set out below and up to 2 further independent directors to fill and or bolster perceived skills gaps. Consideration has been given to which roles require railway experience ideally gained with the SRC. As a result, external appointments may be considered for the positions of Chair, Finance and External Affairs Directors. All roles are voluntary although reasonable expenses incurred on behalf of the Company will be re-imbursed. The Board would meet quarterly with a remit to review finances, safety and strategy as well as consider items put forward for approval from the GM that are not within his delegated authority. In addition, the Board will appoint a Company Secretary.

Whilst it is hoped that current members of the Board will stay involved, with the impending departure of Aidan, it is likely that only four will remain by the date of the AGM. The current directors will be actively seeking to fill the positions identified below but -

if you think you could help fill any of these positions or know of someone who could be interested, please contact John Yule at johnyule@strathspeyrailway.co.uk or Duncan Gilmour at duncan.gilmour@strathspeyrailway.co.uk

Responsibilities and Skills

Each Director should always act in the best interests of the SRC and promote the success of the Railway. In carrying out their responsibilities they should exercise reasonable care, skill and diligence. They should endeavour to avoid conflicts of interest and where these cannot be avoided, declare such conflict.

Skills Required by each Director

Directors will require to have, ***or be able and willing to develop***, a knowledge and general understanding of:

- Good corporate governance and provisions of the Company's Memorandum and Articles of Association in order to always act within their powers
- Regulatory and legal requirements for the operation of a Heritage Railway
- Day-to-day operations
- Railway finances
- Risk management as it pertains to the Railway
- HR as it pertains to the Railway
- H&S as it pertains to the Railway
- Sustainability and protection of the environment as it pertains to a Heritage Railway
- Creation and management of a 5, 10 and 20-year strategic plan for the Railway

Summary of Individual Responsibilities and Skills

(Further details for each position are available from the Company Secretary)

Chairman

- Manages and ensures that the Board functions effectively
- Ensures strategy is developed and objectives are met
- Liaison with the GM

Finance Director

- Knowledge of accounting and tax requirements for the Railway as a Not-for-Profit Company
- Production in conjunction with GM of Management Accounts and cashflow forecasts for Quarterly Board Meetings and Annual Budgets
- Ownership of all Financial Policies
- Liaise with external auditor to produce Annual Accounts, review Accounts and brief Board

Safety and Standards Director

- Knowledge of Regulatory standards and requirements in regard to safety in all aspects of Railway operations. In particular:
- Ownership of all Safety and Standards Policies
- Point of contact with external regulatory bodies
- Responsibility for internal audits and liaison across all Railway departments.

External Affairs Director

- Responsible for developing the Board's Marketing Strategy and implementation in conjunction with the GM
- Responsible for approving communications via press and social media in conjunction with the GM
- Point of contact for media enquiries

SRA Representative

- Represent SRA and Members' views where appropriate
- Lead on volunteer policy and volunteer issues generally

Engineering Interface Director

- In co-ordination with the General Manager, responsible for oversight of all aspects of the Engineering function and how this is resourced
- A working knowledge and understanding of heritage railway operations, specifically in relation to the disciplines of P Way, Loco Shed, Carriage & Wagon and Engineering
- Be familiar with how these disciplines interlink with other departments across the Railway, including Train Crews, Signallers, Signals & Telegraph, Catering and Station Staff.

Operations Director

- Have a working knowledge and understanding of heritage railway operation, specifically in the three disciplines of Locomotive crew, Guards and Signallers
- Be familiar with how these interlink with other departments including Engineering, Permanent Way, Signals & Telegraph, Catering and Station Staff
- Chair the Operations Committee

Independent Directors

- Business experience plus any missing or weak skillsets amongst other Board Members

Issued by the Board
6 August 2025