

COMPANY REGISTRATION NUMBER 00956100
CHARITY NUMBER 259626

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
FOR
31 DECEMBER 2011

STARR & CO

Chartered Accountants
76 Wellington Road South
Stockport
Cheshire
SK1 3SU

**THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

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**THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED
COMPANY LIMITED BY GUARANTEE****COMPANY INFORMATION****YEAR ENDED 31 DECEMBER 2011**

Trustees/Directors	S C Allsop G C Bowler B S Bryant F Galvin (Appointed 10 April 2012) J R Hillier MJ Holmes (Appointed 10 April 2012) G Howard S J Peach K J Tait (Resigned 30 September 2011) P W Skellon M Harper M Stevens (Resigned 9 May 2011) K Whitmore (Appointed 10 April 2012) J M Winderbank
Secretary	MJ Holmes
Registered Office	8 The Old Hall Courtyard Heath Wakefield WF1 5ST
Registered numbers	Company number 956100 (England and Wales) Charity number 259626
Accountants	Starr and Company Chartered Accountants 76 Wellington Road South Stockport SK1 3SU
Bankers	Royal Bank of Scotland plc 1 Heaton Moor Road Heaton Chapel Stockport SK4 4LW
Solicitors	Wright Son and Pepper 9 Greys Inn Square London WC1 5JF

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED COMPANY LIMITED BY GUARANTEE

REPORT OF THE TRUSTEES IN RELATION TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

Legal and Administrative

The Bahamas Locomotive Society Limited is a company limited by guarantee, first registered in England as No 956100 on 12 June 1969 and is governed by its Memorandum and Articles of Association. The Company has also been registered as a Charity for Educational Purposes as No 259626 since 10 August 1970.

A Committee of Management currently consisting of eleven Directors/Trustees hold regular monthly meetings to manage the activities of the Society. Details of the Directors/Trustees are included in the company information given on page one of the financial statements.

A subsidiary company, Bahamas Loco Trading Limited, was formed in 1991 with a working capital of £5,000. This Company is responsible for all trading activities such as locomotive hire, souvenir sales and work for other preserved railways. Profits are covenanted to the Society in return for free use of the Society's locomotives etc. The Society is a voluntary organisation, no members receive any remuneration and no paid staff are employed. Fortunately, the Society is well supported by its friends and members and uses volunteer labour wherever possible, only using contract labour when essential.

In 1973 the National Trust placed its locomotive no. 1054 in long-term custody of the Society. Major repairs are covered by a restricted grant of £20,000 made to the Trust by a Society member.

Liquid Assets, which are not immediately required, are held in deposit accounts with the Charities Official Investment Fund or various High street banks

The Society's base is known as "Ingrow Loco — Museum and Workshop" on the Keighley and Worth Valley Railway (K & WVR) in West Yorkshire where an ex Midland Railway goods warehouse has been converted into a workshop and museum.

Objective and Policy

The objective of the Society is to encourage and promote public interest in the preservation of steam and other railway locomotives and rolling stock together with railway machinery and equipment, etc.

The policy is

- a) to acquire and restore suitable railway locomotives and rolling stock, etc. and display them to the public either as static or preferably working exhibits and
- b) to operate a museum which displays and conserves the collection of smaller artefacts and explains to future generations the important part the railway industry has played in the development of this country.

Achievements in 2011

The Museum opened regularly during the year and we received 5,509 visitors (2010 5,910), a decrease in number as a result of a reduced number of days on which the Museum was open. Thanks again are due to the team who operate the Museum. Visitors to the Museum are able to see most of our collection of railway artefacts and visible access to workshop activity is always possible. Members are encouraged to become involved in our activities and acquire the traditional skills associated with railway engineering and operation.

The Museum continues to operate within the Museum Accreditation status given by the Museums, Libraries and Archives Council. This recognizes our continued high standard in museum activities.

The locomotive "Nunlow" was in regular use on the Keighley and Worth Valley Railway during the year. Restoration of Coal Tank No. 1054 was completed by the end of 2011. Both the Coal Tank and Nunlow have a busy itinerary planned for 2012. The Heritage Lottery Fund agreed an extension of the Coal Tank grant period up to December 2011 and the final amount of the Grant which totalled £154,000 has been received in 2012.

The fund for the restoration of 45596 "Bahamas" stood at £136,948 at 31 December 2011 so the fund has grown by £24,740 during the year. Thanks to members' regular donations and various bequests and one off donations.

Future plans

At the end of 2010 "Steam's Last Blast Appeal" was launched with the intention of supplementing our funds and returning Bahamas into steam around 2016.

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED COMPANY LIMITED BY GUARANTEE

REPORT OF THE TRUSTEES IN RELATION TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

Reserves

Notes 10 and 11 to the financial statements show the assets and liabilities attributable to the various funds by type and also describe the various funds of the Society and summarise the year's movements on each fund. Unrestricted funds amounted to £101,903 but after taking account of amounts invested in fixed assets, less restricted funds relating to fixed assets, and designated funds, the free reserves are £48,839, which equates to approximately 26 months expenditure that the trustees feel is adequate.

Financial Risk Strategy

The Committee of Management regularly reviews the main areas of financial risk. These may be summarised as follows: -

- a) Insufficient funds to continue operations and complete projects.
- b) Unauthorised transactions.
- c) Failure to safeguard our assets.
- d) Failure to adhere to legislation or restrictions in whatever field.
- e) Future liabilities are not identified and provision made for them.

These risks are met as follows: -

The Committee meets regularly to oversee the Society's activities. Major expenditure has to be approved and various Committee members (Directors) have specific roles and duties. The Committee ensures that the current projects have sufficient funds available on a regular basis from a variety of sources e.g. subscriptions, donations, gift aid, shop and museum income and grants. At the present time the Company has no borrowings. Our assets are housed securely at Ingrow although Bahamas is at the Oxenhope Museum. Items stored outside are secured and protected from the weather. A modern security system is in place and various insurance policies including public liability are in force. The Committee keeps up to date with legislation and regulations by contact with people in the preservation sphere, membership of various associations and by taking advice from recognised experts.

Statement of Trustees' Responsibilities

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards of recommended practice 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 operation.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Accountants

The accountants, Starr and Company, will be proposed for re-appointment at the annual general meeting.

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities and in accordance with the special provisions of the Companies Act 2006 relating to small entities.

On behalf of the Trustees

**THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED
COMPANY LIMITED BY GUARANTEE**

**ACCOUNTANTS' REPORT TO THE MEMBERS OF THE BAHAMAS LOCOMOTIVE
SOCIETY LIMITED**

YEAR ENDED 31 DECEMBER 2011

We report on the unaudited accounts for the year ended 31 December 2011 set out on pages 5 to 11.

Respective responsibilities of the trustees and the reporting accountants

As described on page 3 the trustees of the charity are responsible for the preparation of the accounts, and they consider that the charity is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the charity, and making such limited enquiries of the officers of the charity as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the accounts are in agreement with those accounting records kept by the charity in accordance with the Companies Act 2006;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the accounts have been drawn upon in a manner consistent with the accounting requirements specified in the Act; and
 - (ii) the charity satisfied the conditions for exemption from an audit of the accounts for the year specified in accordance with the Companies Act 2006 and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemptions.

76 Wellington Road South
Stockport
SK1 3SU

STARR & CO
Chartered Accountants and
Statutory Auditors

**THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

YEAR ENDED 31 DECEMBER 2011

	Note	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Incoming Resources					
Donations and gifts		-	27,027	27,027	19,338
Members subscriptions		2,362	-	2,362	1,735
Heritage Lottery Grant		-	-	-	61,600
Other income		23,199	-	23,199	12,634
Bank interest received		537	-	537	392
Total incoming resources		<u>26,098</u>	<u>27,027</u>	<u>53,125</u>	<u>95,699</u>
Costs of generating funds					
Fundraising and publicity		356	-	356	680
Postage		377	-	377	280
		<u>733</u>	<u>-</u>	<u>733</u>	<u>960</u>
Resources expended					
Charitable activities	2	21,702	29,993	51,695	118,414
Governance costs	3	5,093	-	5,093	3,570
Total resources expended		<u>26,795</u>	<u>29,993</u>	<u>56,788</u>	<u>121,984</u>
Net incoming resources / (resources expended)		(1,430)	(2,966)	(4,396)	(27,245)
Total funds brought forward		103,333	213,390	316,723	343,968
Total funds carried forward		<u><u>101,903</u></u>	<u><u>210,424</u></u>	<u><u>312,327</u></u>	<u><u>316,723</u></u>

There were no gains and losses in the year.

**THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED
COMPANY LIMITED BY GUARANTEE**

BALANCE SHEET AS AT 31 DECEMBER 2011

	Note	2011 £	2010 £
Fixed assets			
Tangible assets	5	100,447	109,253
Investments	6	5,000	5,000
		<u>105,447</u>	<u>114,253</u>
Current assets			
Debtors	7	39,293	29,324
Cash at bank		177,540	183,922
		<u>216,833</u>	<u>213,246</u>
Creditors: amounts falling due within one year	8	1,650	1,550
Net current assets		<u>215,183</u>	<u>211,696</u>
Total assets less current liabilities		320,630	325,949
Provisions for liabilities and charges	9	8,303	9,226
Net assets		<u>312,327</u>	<u>316,723</u>
The funds of the charity:			
Restricted income funds	11	210,424	213,390
Unrestricted income funds	11	101,903	103,333
		<u>312,327</u>	<u>316,723</u>

For the financial year ended 31 December 2011, the company was entitled to exemption from audit under section 477(1) of the Companies Act 2006; and no notice has been deposited under section 476(1) requesting an audit. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the year and of its profit or loss for the financial year in accordance with the requirements of section 394 and which otherwise comply with the Companies Act 2006, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime under the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board of Trustees on and signed on its behalf by

J. M. Winderbank – TRUSTEE

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

1. Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Small Entities (effective April 2008).

Consolidation

The charity and its subsidiary company comprise a small group. Neither the activity nor the assets or liabilities of the subsidiary company are material. The charity has therefore taken advantage of the exemption provided by the Companies Act 2006 and the recommendation of the Charities SORP not to prepare group accounts.

Income

Income represents donations and other forms of voluntary income or benefit together with non-capital grants receivable.

Fixed Assets and Depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Property improvement	- 4% on cost
Fixtures and equipment	- 10% on reducing balance

Expenditure

All expenditure is accounted for gross, and when incurred.

Charitable expenditure includes the direct costs of the activities and depreciation on related assets. Where such costs relate to more than one functional cost category, they have been split on either an estimate of time or floor space basis, as appropriate.

Grants

Capital grants received are treated as deferred income and as such are released to profit and loss account over the same period of asset depreciation. In accordance with Statement of Recommended Practice, all heritage fund grants are treated as income when receivable.

2. Charitable activities expenditure

	Unrestricted funds £	Restricted funds £	2011 £	2010 £
Locomotive and rolling stock maintenance	9,578	25,612	35,190	99,786
Repairs to buildings and equipment	1,395	-	1,395	3,525
Insurance	3,969	-	3,969	4,596
Light and heat	2,112	-	2,112	1,412
Rent and rates	223	-	223	218
Depreciation of property improvements and equipment	4,425	4,381	8,806	8,877
	<u>21,702</u>	<u>29,993</u>	<u>51,695</u>	<u>118,414</u>

**THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

3. Governance costs

	Unrestricted funds £	Restricted funds £	2011 £	2010 £
Printing and stationery	2,317	-	2,317	619
Accountancy fees	1,650	-	1,650	1,550
Telephone	246	-	246	244
Bank charges	366	-	366	339
Sundry expenses	514	-	514	818
	<u>5,093</u>	<u>-</u>	<u>5,093</u>	<u>3,570</u>

4. Trustees' remuneration and expenses

The trustees neither received nor waived any emoluments during the year (2010: £nil)

During the year trustees did not receive any expenses (2010: £nil)

5. Tangible Fixed Assets

	Buildings £	Fixtures & Equipment £	Total £
Cost:			
At 1 January 2011	204,462	15,616	220,078
At 31 December 2011	<u>204,462</u>	<u>15,616</u>	<u>220,078</u>
Depreciation:			
At 1 January 2011	101,474	9,351	110,825
Charge for the year	8,180	626	8,806
At 31 December 2011	<u>109,654</u>	<u>9,977</u>	<u>119,631</u>
Net book value:			
At 31 December 2011	<u>94,808</u>	<u>5,639</u>	<u>100,447</u>
At 31 December 2010	<u>102,988</u>	<u>6,265</u>	<u>109,253</u>

The primary use of all the tangible fixed assets is for charitable purposes.

**THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

6. Fixed asset investments

	£	
Cost:		
At 1 January 2011		
and 31 December 2011		<u>5,000</u>
Net book value:		
At 31 December 2011		<u>5,000</u>
At 31 December 2010		<u>5,000</u>
	2011	2010
	£	£
Unlisted investments	5,000	5,000

The company's investments at the balance sheet date in the share capital of unlisted companies included the following:

BAHAMAS LOCO TRADING LIMITED
Nature of business: Charity support business

Class of share	% Holding	2011	2010
Ordinary	100.00	£	£
Aggregate capital and reserves		8,232	8,233
Profit/(Loss) for the year		-	1,927

7. Debtors

	2011	2010
	£	£
Due within one year		
Amounts due from group undertakings	17,559	5,761
Heritage Lottery Grant receivable	15,400	15,400
Other debtors	2,188	2,734
Prepayments	4,146	5,429
	<u>39,293</u>	<u>29,324</u>

**THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

8. Creditors: amounts falling due within one year

	2011 £	2010 £
Accruals	1,650	1,550

9. Provisions for liabilities and charges

	2011 £	2010 £
Grant – Deferred income	8,303	9,226

		Grant £
Balance at 1 January 2011		9,226
Released to the Income and Expenditure Account	(10%)	923
Balance at 31 December 2011		<u>8,303</u>

10. Analysis of Net Assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 December 2011 are represented by			
Tangible fixed assets	48,064	52,383	100,447
Investments	5,000	-	5,000
Current assets	58,792	158,041	216,833
Current liabilities	(1,650)	-	(1,650)
Provisions for liabilities and charges	(8,303)	-	(8,303)
Total Net Assets	<u>101,903</u>	<u>210,424</u>	<u>312,327</u>

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

11. Funds

	At 1 January 2011 £	Incoming Resources £	Resources Expended £	At 31 December 2011 £
Restricted funds:				
Heritage Lottery Fund Grant: Museum	51,240	-	4,381	46,859
Heritage Lottery Fund Grant: Coal Tank Nunlow	49,942	2,287	25,612	26,617
	-	-	-	-
Diamond Jubilee Appeal Fund	112,208	24,740	-	136,948
Total restricted funds	<u>213,390</u>	<u>27,027</u>	<u>29,993</u>	<u>210,424</u>
Unrestricted funds:				
General Funds	103,333	26,098	27,528	101,903
Total unrestricted funds	<u>103,333</u>	<u>26,098</u>	<u>27,528</u>	<u>101,903</u>
Total funds	<u>316,723</u>	<u>53,125</u>	<u>57,521</u>	<u>312,327</u>

The Heritage Grant Fund "Museum" is the balance of the proceeds from the Heritage Lottery Fund Grant. The grant was provided to assist in the building of the Society's museum. The fund is being written off in line with the life expectancy of the museum.

The Heritage Lottery Grant Fund "Coal Tank" represents the full amount granted from the Heritage Lottery Fund Grant. The grant has been provided to assist in the restoration of the London and North Western Railway steam locomotive "Coal Tank" no 1054.

The Diamond Jubilee Appeal Fund is a specific fund for the restoration of the locomotive Bahamas.

12. Other Financial Commitments

The company is contracted to pay £10 per annum on a 99 year lease entered into in 1997 in respect of the property.

13. State of the Society

The Society is a company limited by guarantee and is a registered charity. It is exempt from direct taxation under the relevant provisions of the Income and Corporation Taxes Act 1988.