

COMPANY REGISTRATION NUMBER 00956100
CHARITY NUMBER 259626

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
FOR
31 DECEMBER 2012

Lloyd Piggott Limited
(Incorporating Starr and Co)
76 Wellington Road South
Stockport
Cheshire
SK1 3SU

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

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

CONTENTS	PAGE
Company information	1
Report of the Trustees	2
Independent Accountants Report to the members	4
Statement of financial activities	5
Balance Sheet	6
Notes to the financial statements	7-11

**THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED
COMPANY LIMITED BY GUARANTEE****COMPANY INFORMATION****YEAR ENDED 31 DECEMBER 2012**

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 P W Skellon M Harper 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	Lloyd Piggott Limited (Incorporating Starr and Co) 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 2012

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 twelve 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, books and souvenir sales. 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.

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 original 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 industrial, social and economic development of this country.

Achievements in 2012

The Museum opened regularly during the year and we received 5,235 visitors (2011 5,509), 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 and shop. 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 Arts Council. This recognizes our continued high standard in museum activities.

Following the completion of its restoration with Heritage Lottery Fund support in 2011, Coal Tank no. 1054 was in regular operation on the Keighley and Worth Valley Railway and at other preserved railways during the year. Much of the latter part of 2012 was spent in compiling a bid to be presented to The Heritage Lottery Fund, requesting support for the overhaul and return to service of our flagship engine Jubilee class no. 45596 "Bahamas". The bid also included an educational aspect involving the recruitment of an Audience Development Co-ordinator. The bid was successful and it was announced in March 2013 that an award was being made by the HLF for the full amount of the application, £775,000. The work will be undertaken over the next three to five years.

The society's own fund for the restoration of 45596 "Bahamas" stood at £177,280 at 31 December 2012 representing an increase in excess of £40,000 in the year. A significant proportion of this has been committed to underpin the HLF bid. Thanks are due to members for their regular donations.

Future plans

Both the Coal Tank no 1054 and Nunlow have a busy itinerary planned for 2013. It is anticipated that no. 1054 will visit two preserved railways as well as operating on its home lines during the year. The plans to restore Bahamas will be implemented and fund raising under the "Steam's Last Blast Appeal" banner will continue, to provide resources for the on-going care of the locomotive.

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED COMPANY LIMITED BY GUARANTEE

REPORT OF THE TRUSTEES IN RELATION TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

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 £109,837 but after taking account of amounts invested in fixed assets, less restricted funds relating to fixed assets, and designated funds, the free reserves are £60,957, 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, Lloyd Piggott Limited, 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 2012

We report on the unaudited accounts for the year ended 31 December 2012 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

Lloyd Piggott Limited
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 2012

	Note	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
Incoming Resources					
Donations and gifts		102	28,272	28,374	27,027
Members subscriptions		2,056	-	2,056	2,362
Heritage Lottery Grant		-	19,076	19,076	-
Other income		7,973	12,060	20,033	23,199
Bank interest received		678	-	678	537
Total incoming resources		<u>10,809</u>	<u>59,408</u>	<u>70,217</u>	<u>53,125</u>
Costs of generating funds					
Fundraising and publicity		3,990	-	3,990	356
Postage		255	-	255	377
		<u>4,245</u>	<u>-</u>	<u>4,245</u>	<u>733</u>
Resources expended					
Charitable activities	2	4,929	37,810	42,739	51,695
Governance costs	3	5,659	275	5,934	5,093
Total resources expended		<u>10,588</u>	<u>38,085</u>	<u>48,673</u>	<u>56,788</u>
Net incoming resources / (resources expended)		(4,024)	21,323	17,299	(4,396)
Total funds brought forward		101,903	210,424	312,327	316,723
Inter Fund transfer		11,958	(11,958)	-	-
Total funds carried forward		<u>109,837</u>	<u>219,789</u>	<u>329,626</u>	<u>312,327</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 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible assets	5	91,703	100,447
Investments	6	5,000	5,000
		96,703	105,447
Current assets			
Debtors	7	17,431	39,293
Cash at bank		224,615	177,540
		242,046	216,833
Creditors: amounts falling due within one year	8	1,650	1,650
Net current assets		240,396	215,183
Total assets less current liabilities		337,099	320,630
Provisions for liabilities and charges	9	7,473	8,303
Net assets		329,626	312,327
The funds of the charity:			
Restricted income funds	11	219,789	210,424
Unrestricted income funds	11	109,837	101,903
		329,626	312,327

For the financial year ended 31 December 2012, 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 2012

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 £	2012 £	2011 £
Locomotive and rolling stock maintenance	-	26,547	26,547	35,190
Repairs to buildings and equipment	-	1,408	1,408	1,395
Insurance	-	3,712	3,712	3,969
Light and heat	324	1,793	2,117	2,112
Rent and rates	211	-	211	223
Depreciation of property improvements and equipment	4,394	4,350	8,744	8,806
	<u>4,929</u>	<u>37,810</u>	<u>42,739</u>	<u>51,695</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

3. Governance costs

	Unrestricted funds £	Restricted funds £	2012 £	2011 £
Printing and stationery	2,426	-	2,426	2,317
Accountancy fees	1,650	-	1,650	1,650
Telephone	270	-	270	246
Bank charges	347	-	347	366
Sundry expenses	966	275	1,241	514
	<u>5,659</u>	<u>275</u>	<u>5,934</u>	<u>5,093</u>

4. Trustees' remuneration and expenses

The trustees neither received nor waived any emoluments during the year (2011: £nil)

During the year trustees did not receive any expenses (2011: £nil)

5. Tangible Fixed Assets

	Buildings £	Fixtures & Equipment £	Total £
Cost:			
At 1 January 2012	204,462	15,616	220,078
At 31 December 2012	<u>204,462</u>	<u>15,616</u>	<u>220,078</u>
Depreciation:			
At 1 January 2012	109,654	9,977	119,631
Charge for the year	8,180	564	8,744
At 31 December 2012	<u>117,834</u>	<u>10,541</u>	<u>128,375</u>
Net book value:			
At 31 December 2012	<u>86,628</u>	<u>5,075</u>	<u>91,703</u>
At 31 December 2011	<u>94,808</u>	<u>5,639</u>	<u>100,447</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 2012

6. Fixed asset investments

	£	
Cost:		
At 1 January 2012		
and 31 December 2012		<u>5,000</u>
Net book value:		
At 31 December 2012		<u>5,000</u>
At 31 December 2011		<u>5,000</u>
	2012	2011
	£	£
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	%
Ordinary	Holding
	100.00

	2012	2011
	£	£
Aggregate capital and reserves	8,232	8,232
Profit/(Loss) for the year		-

7. Debtors

	2012	2011
	£	£
Due within one year		
Amounts due from group undertakings	10,276	17,559
Heritage Lottery Grant receivable	1,176	15,400
Other debtors	1,337	2,188
Prepayments	4,642	4,146
	<u>17,431</u>	<u>39,293</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

8. Creditors: amounts falling due within one year

	2012 £	2011 £
Accruals	1,650	1,650
	<u>1,650</u>	<u>1,650</u>

9. Provisions for liabilities and charges

	2012 £	2011 £
Grant – Deferred income	7,473	8,303
	<u>7,473</u>	<u>8,303</u>

		Grant £
Balance at 1 January 2012		8,303
Released to the Income and Expenditure Account	(10%)	830
Balance at 31 December 2012		<u>7,473</u>

10. Analysis of Net Assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances at 31 December 2012 are represented by			
Tangible fixed assets (split @ 47.85 / 52.15)	43,880	47,823	91,703
Investments	5,000	-	5,000
Current assets	70,080	171,966	242,046
Current liabilities	(1,650)	-	(1,650)
Provisions for liabilities and charges	(7,473)	-	(7,473)
Total Net Assets	<u>109,837</u>	<u>219,789</u>	<u>329,626</u>

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

11. Funds

	At 1 January 2012 £	Incoming Resources £	Resources Expended £	Inter Fund Transfers £	At 31 December 2012 £
Restricted funds:					
Heritage Lottery Fund Grant: Museum	46,859	-	4,350	-	42,509
Heritage Lottery Fund Grant: Coal Tank	26,617	15,400	30,059	(11,958)	-
Diamond Jubilee Appeal Fund	136,948	40,332	-	-	177,280
HLF Grant: Jubilee Class Steam Locomotive	-	3,676	3,676	-	-
Total restricted funds	<u>210,424</u>	<u>59,408</u>	<u>38,085</u>	<u>(11,958)</u>	<u>219,789</u>
Unrestricted funds:					
General Funds	101,903	10,809	14,833	11,958	109,837
Total unrestricted funds	<u>101,903</u>	<u>10,809</u>	<u>14,833</u>	<u>11,958</u>	<u>109,837</u>
Total funds	<u>312,327</u>	<u>70,217</u>	<u>52,918</u>	<u>-</u>	<u>329,626</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, completed in early 2012. The Inter Fund transfer, £11,958, adjusts for General Funds payments during the restoration of the Coal Tank.

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.