

Charity Registration No. 259626

Company Registration No. 00956100 (England and Wales)

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED
TRUSTEES REPORT AND UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2015

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	S C Allsop G C Bowler Dr B S Bryant F P Galvin D J Guest J R Hillier G Howard S J Peach G T Skellon P W Skellon K A Whitmore J M Winderbank
Secretary	K Whitmore
Charity number	259626
Company number	00956100
Registered office	The Shippen 8 The Old Hall Court Yard Heath Wakefield West Yorkshire WF1 5ST
Independent examiner	Craig Stratford ACA Simpson Wood Limited Bank Chambers Market Street Huddersfield HD1 2EW
Bankers	Royal Bank of Scotland 1 Heaton Moor Road Heaton Chapel Stockport SK4 4LW
Solicitors	Molesworth Bright-Clegg Octagon House 25-27 Yorkshire Street Rochdale OL16 1RH

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

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THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The trustees present their report and accounts for the year ended 31 December 2015.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

Structure, governance and management

The charity 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.

The Committee of Management, currently consisting of twelve Directors and Trustees, holds monthly meetings to manage the activities of the Society.

A wholly owned subsidiary, Bahamas Loco Trading Ltd, 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 transferred to the Society in return for free use of the Society's locomotives and other assets.

The Society is an organisation based on voluntary involvement. Fortunately the Society is well supported by its friends and members and uses volunteer labour wherever possible. Thanks again are due to the dedicated volunteer team who have operated the Museum and shop and cared for the Society's assets. As planned last year, a small number of paid staff are now employed in customer-facing and audience development roles. Otherwise, neither Directors nor members receive any remuneration.

In 1973 the National Trust ("NT") placed its locomotive no. 1054 in the long-term custody of the Society. The engine's latest refurbishment was completed in 2012 with the aid of a grant from the Heritage Lottery Fund ("HLF"). The NT holds a donation from a Society member, originally £20,000, reserved for future major overhauls of the locomotive.

Liquid assets are held in current and deposit accounts with the Charities Official Investment Fund and 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 with financial assistance from the HLF. The Ingrow site is being developed as 'Rail Story' and BLS will provide the 'Engine Shed' component of the attraction.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

S C Allsop

G C Bowler

Dr B S Bryant

F P Galvin

D J Guest

M Harper

(Resigned 16 March 2015)

J R Hillier

G Howard

S J Peach

G T Skellon

(Appointed 4 July 2015)

P W Skellon

K A Whitmore

J M Winderbank

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

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) Liabilities are not identified and provision made for them.

These risks are met as follows:-

The Committee of management 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 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 present the company has no borrowings. Our assets are housed securely at Ingrow other than Bahamas which is now securely stored at Tyseley. 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 others in the preservation sphere, membership of various associations and by taking advice from experts.

Objectives and activities

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.

The policy is:-

- a) to acquire and restore suitable railway locomotives and rolling stock and display them to the public either as static or preferably working exhibits and
- b) to operate a museum and educational facility 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.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Achievements and performance

The Museum opened regularly during the year and we received 12,971 visitors (2014 restated: 6,962). This is a welcome increase of some 86%. The increase is substantially due to our decision to employ two Duty Officers on a job-share basis from April 2015. The Duty Officers open the Museum midweek, complementing weekend opening staffed by our volunteers. The Museum was open for 294 days in 2015, which compares with 134 days of opening in 2014. Visitors to the Museum are able to see much of our collection of railway artefacts and viewing of workshop activity is also possible.

During the year we have drawn down amounts from the Heritage Lottery Fund grant awarded in 2013. This has supported the work dedicated towards restoring our 1924 riding van and this vehicle re-entered service in 2015 as the Learning Coach, located at Ingrow station. Work also continues as planned on 45596 Bahamas at Tyseley with the intention of returning the engine to steam in the first half of 2017. It is envisaged that 45596 will run on the main line so a support coach was acquired in 2015 and work will be undertaken during 2016 and early 2017 to make it ready for operation.

Members are able to keep up to date with the Society's activities by way of its website and the Journal, published three or four times per year and in colour for the first time in Winter 2015. Members are also 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.

The Society's own fund for the restoration of 45596 "Bahamas" and the 1924 van decreased by £4,042 in 2015 and stood at £188,502 as at 31st December 2015. This is as a result of project expenditure exceeding donations and cash contributions from the HLF in the period. Thanks are due to members for their continuing donations.

Coal Tank no. 1054 and 'Nunlow' were in frequent operation on the Keighley and Worth Valley Railway and at other preserved railways during the year and remain in demand.

Financial review

Reserves

The Statement of Financial Activities, along with note 13, show the various funds of the Society and summarise the year's movements on each fund. Unrestricted funds amounted to £128,005 but after taking account of amounts invested in fixed assets, the free reserves are £90,429 which equates to approximately 36 months expenditure, which the trustees feel is adequate.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Plans for the future

Both Coal Tank no. 1054 and Nunlow have a busy itinerary planned for 2016. However this will be largely if not entirely on our home railway due to the current difficulties of removing rolling stock from the Railway by road. The work to restore Bahamas, ready the support coach and finalise the 1924 van will continue, as will fundraising under the "Steam's Last Blast Appeal" banner, to provide resources for on-going care.

On behalf of the board of trustees

K Whitmore

Trustee

Dated: 31 May 2016

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

I report on the accounts of the charity for the year ended 31 December 2015, which are set out on pages 5 to 12.

Respective responsibilities of trustees and examiner

The trustees, who are also the directors of The Bahamas Locomotive Society Limited 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 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

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:

- (i) examine the accounts under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) 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. 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:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare accounts which accord with the accounting records, comply with the accounting requirements of 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;have not been met; or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Craig Stratford ACA

Simpson Wood Limited
Chartered Accountants
Bank Chambers
Market Street
Huddersfield
HD1 2EW

Dated: 31 May 2016

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
<u>Incoming resources from generated funds</u>					
Voluntary income		6,141	18,421	24,562	21,077
Activities for generating funds	2	30,263	-	30,263	37,281
Investment income	3	69	307	376	322
		<u>36,473</u>	<u>18,728</u>	<u>55,201</u>	<u>58,680</u>
Incoming resources from charitable activities	4	-	146,803	146,803	117,421
Total incoming resources		<u>36,473</u>	<u>165,531</u>	<u>202,004</u>	<u>176,101</u>
<u>Resources expended</u>					
Costs of generating funds					
Fundraising and publicity		2,461	-	2,461	882
		<u>2,461</u>	<u>-</u>	<u>2,461</u>	<u>882</u>
Net incoming resources available		<u>34,012</u>	<u>165,531</u>	<u>199,543</u>	<u>175,219</u>
Charitable activities					
Charitable activities		26,429	173,123	199,552	156,965
		<u>26,429</u>	<u>173,123</u>	<u>199,552</u>	<u>156,965</u>
Governance costs		1,076	-	1,076	1,650
		<u>1,076</u>	<u>-</u>	<u>1,076</u>	<u>1,650</u>
Total resources expended	5	<u>29,966</u>	<u>173,123</u>	<u>203,089</u>	<u>159,497</u>
Net income/(expenditure) for the year/ Net movement in funds		<u>6,507</u>	<u>(7,592)</u>	<u>(1,085)</u>	<u>16,604</u>
Fund balances at 1 January 2015		121,498	232,253	353,751	337,147
		<u>121,498</u>	<u>232,253</u>	<u>353,751</u>	<u>337,147</u>
Fund balances at 31 December 2015		<u>128,005</u>	<u>224,661</u>	<u>352,666</u>	<u>353,751</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	9	94,049		89,147	
Investments	10	5,000		5,000	
		<u>99,049</u>		<u>94,147</u>	
Current assets					
Debtors	11	36,290		71,739	
Cash at bank and in hand		226,047		197,279	
		<u>262,337</u>		<u>269,018</u>	
Creditors: amounts falling due within one year	12	(8,720)		(9,414)	
Net current assets		<u>253,617</u>		<u>259,604</u>	
Total assets less current liabilities		<u>352,666</u>		<u>353,751</u>	
Income funds					
Restricted funds	13	224,661		232,253	
Unrestricted funds		128,005		121,498	
		<u>352,666</u>		<u>353,751</u>	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2015. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The accounts were approved by the Board on 31 May 2016

J M Winderbank
Trustee

Company Registration No. 00956100

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 2006.

1.2 Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

1.3 Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

1.4 Tangible fixed assets and depreciation

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

Building improvements	Straight line over 25 years
Plant and machinery	Straight line over 20 years
Fixtures and equipment	10% on reducing balance

1.5 Investments

Fixed asset investments are shown at market value.

1.6 Taxation

The charity is exempt from corporation tax on its charitable activities.

1.7 Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when the funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

1.8 Grants

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

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

2 Activities for generating funds

	2015 £	2014 £
Fundraising events	2,155	191
Admissions	13,064	11,680
Other income	15,044	25,410
Net Activities for generating funds	30,263	37,281

3 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Interest receivable	69	307	376	322

4 Incoming resources from charitable activities

	2015 £	2014 £
Grants	146,803	117,421

5 Total resources expended

	Depreciation £	Other costs £	Total 2015 £	Total 2014 £
Costs of generating funds				
Fundraising and publicity	-	2,461	2,461	882
Charitable activities				
<u>Charitable activities</u>				
Activities undertaken directly	10,099	189,453	199,552	156,965
Governance costs	-	1,076	1,076	1,650
	10,099	192,990	203,089	159,497

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

6 Activities undertaken directly

	2015	2014
	£	£
Other costs relating to Charitable activities comprise:		
Rent and rates	216	213
Insurance	7,746	5,351
Light, heat and power	1,978	1,645
Repairs to buildings and equipment	3,212	4,454
Locomotive and rolling stock maintenance	321	2,844
Postage and stationery	4,675	2,685
Telephone	304	177
Sundries	251	287
Bank charges	345	239
Legal and professional fees	646	-
Travel and subsistence	186	-
Locomotive and rolling stock maintenance (restricted fund)	120,094	102,193
Outreach activities	48,939	26,812
Sundries (restricted fund)	419	527
Bank charges (restricted fund)	121	121
	<u>189,453</u>	<u>147,548</u>

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year and, aside from travel expenses, there were no trustees' expenses paid for the year (2014 - nil).

8 Employees

There were no employees during the year.

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

9 Tangible fixed assets

	Building improvements £	Plant and machinery £	Fixtures and equipment £	Total £
Cost				
At 1 January 2015	218,262	-	17,916	236,178
Additions	-	15,000	-	15,000
At 31 December 2015	218,262	15,000	17,916	251,178
Depreciation				
At 1 January 2015	135,296	-	11,735	147,031
Charge for the year	8,730	750	618	10,098
At 31 December 2015	144,026	750	12,353	157,129
Net book value				
At 31 December 2015	74,236	14,250	5,563	94,049
At 31 December 2014	82,966	-	6,181	89,147

10 Fixed asset investments

	£
Market value at 1 January 2015 and at 31 December 2015	5,000
Historical cost:	
At 31 December 2015	5,000
At 31 December 2014	5,000

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

10 Fixed asset investments (Continued)

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Bahamas Loco Trading Ltd.	England & Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Principle Activities	Capital and reserves £	Profit/(loss) for the year £
Bahamas Loco Trading Ltd.	To promote the trading activities of the Society	8,232	-

11 Debtors	2015 £	2014 £
Trade debtors	2,895	1,472
Amounts owed by group undertakings	8,536	17,276
Other debtors	1,202	7,056
Prepayments and accrued income	23,657	45,935
	<u>36,290</u>	<u>71,739</u>

12 Creditors: amounts falling due within one year	2015 £	2014 £
Trade creditors	1,328	-
Taxes and social security costs	-	845
Accrued expenses	2,409	2,756
Deferred government grants	4,983	5,813
	<u>8,720</u>	<u>9,414</u>

THE BAHAMAS LOCOMOTIVE SOCIETY LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

13 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2015 £	Movement in funds Incoming resources £	Resources expended £	Balance at 31 December 2015 £
The Bahamas Appeal	192,544	165,531	(169,573)	188,502
Heritage Lottery Grant Fund:Museum	39,709	-	(3,550)	36,159
	<u>232,253</u>	<u>165,531</u>	<u>(173,123)</u>	<u>224,661</u>

The Bahamas Appeal is a specific fund for the restoration of the locomotive Bahamas and is written off as incurred.

The Heritage Lottery 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.

14 Analysis of net assets between funds

	Unrestricted £	Restricted £	Total £
Fund balances at 31 December 2015 are represented by:			
Tangible fixed assets	37,576	56,473	94,049
Investments	5,000	-	5,000
Current assets	94,149	168,188	262,337
Creditors: amounts falling due within one year	(8,720)	-	(8,720)
	<u>128,005</u>	<u>224,661</u>	<u>352,666</u>

15 Related parties

Management charges of £11,260 (2014 - £21,209) were received from the subsidiary Bahamas Loco Trading Ltd. At the balance sheet date the amount due from the company was £8,536 (2014 - £17,276).