

REGISTERED COMPANY NUMBER: 00956100 (England and Wales)
REGISTERED CHARITY NUMBER: 259626

**Report of the Trustees and
Unaudited Financial Statements For The Year Ended
31 December 2013
for
Bahamas Locomotive Society Limited**

Lloyd Piggott Limited
Chartered Accountants
Wellington House
39/41 Piccadilly
Manchester
M1 1LQ

Bahamas Locomotive Society Limited

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For The Year Ended 31 December 2013**

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Bahamas Locomotive Society Limited

Report of the Trustees For The Year Ended 31 December 2013

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2013. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

00956100 (England and Wales)

Registered Charity number

259626

Registered office

The Shippen
8 The Old Hall Courtyard
Heath
Wakefield
West Yorkshire
WF1 5ST

Trustees

S C Allsop
G C Bowler
Dr B S Bryant
F P Galvin
M Harper
J R Hillier
M J Holmes
G Howard
S J Peach
P W Skellon
K A Whitmore
J M Winderbank

Company Secretary

M J Holmes

Independent examiner

Lloyd Piggott Limited
Chartered Accountants
Wellington House
39/41 Piccadilly
Manchester
M1 1LQ

Solicitors

Wright Son and Pepper
9 Greys Inn Square
London
WC1 5JF

Bahamas Locomotive Society Limited

Report of the Trustees For The Year Ended 31 December 2013

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Royal Bank of Scotland
1 Heaton Moor Road
Heaton Chapel
Stockport
SK4 4LW

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal & 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 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 wholly owned 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 transferred 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 were employed during the year. 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 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. The NT holds a donation from a Society member, originally of £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.

Bahamas Locomotive Society Limited

Report of the Trustees For The Year Ended 31 December 2013

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 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 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 people in the preservation sphere, membership of various associations and by taking advice from recognised 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, 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 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.

ACHIEVEMENT AND PERFORMANCE

The Museum opened regularly during the year and we received 5,789 visitors (2012: 5,235). This is a welcome increase and is despite the 122 days of opening being virtually unchanged compared with 2012. Thanks again are due to the dedicated team who operate the Museum and shop. Visitors to the Museum are able to see most of our collection of railway artefacts and viewing of workshop activity is possible. Members are able to keep up to date with the Society's activities by way of the Journal, published three or four times per year, and the Society's website. 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.

As was reported last year, in March 2013 we were notified that our application to the Heritage Lottery Fund for a grant of some £775,000 to support the restoration of Jubilee class 45596 'Bahamas', had been successful. During the year a contract was signed with Tyseley Locomotive Works where most of the restoration work will take place. 'Bahamas' departed Ingrow for Tyseley on 25 November 2013 and work on its restoration began shortly afterwards.

Bahamas Locomotive Society Limited

Report of the Trustees For The Year Ended 31 December 2013

ACHIEVEMENT AND PERFORMANCE

The HLF grant award also included support for restoration of our 1924 Riding and Tool van which will be used as an education classroom, the Learning Coach. The vehicle was sent to Rail Restorations North East in August 2013 and returned with fully restored external bodywork at the end of January 2014 and internal fitting out has begun.

The Society's own fund for the restoration of 45596 "Bahamas" and the 1924 van increased by £22,000 in 2013 due to the receipt of donations and investment income and after Project spending, and stood at £188,000 as at 31st December 2013. 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.

FINANCIAL REVIEW

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, which the trustees feel is adequate.

FUTURE PLANS

Both Coal Tank no. 1054 and Nunlow have a busy itinerary planned for 2014. It is anticipated that no. 1054 will visit two preserved railways as well as operating on its home line during the year and that Nunlow will again visit the cement works at Hope, Derbyshire where it was in service for many years. The work to restore Bahamas will continue as will fund raising under the "Steam's Last Blast Appeal" banner, to provide resources for the on-going care of the locomotive. In April 2014, supported by funding from the Heritage Lottery Fund, an audience Development Co-ordinator was appointed to lead the development of our education activities.

Bahamas Locomotive Society Limited

Report of the Trustees For The Year Ended 31 December 2013

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Bahamas Locomotive Society Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether applicable accounting standards of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- d) 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.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Bahamas Locomotive Society Limited

**Report of the Trustees
For The Year Ended 31 December 2013**

ON BEHALF OF THE BOARD:

.....
M J Holmes - Secretary

Date:

**Independent Examiner's Report to the Trustees of
Bahamas Locomotive Society Limited**

I report on the accounts for the year ended 31 December 2013 set out on pages nine to fifteen.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the accounts. The charity's 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 required.

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:

- examine the accounts under Section 145 of the 2011 Act
- 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
- to state whether particular matters have come to my attention.

Basis of the 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 statements below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
 - to keep accounting records in accordance with Section 386 and 387 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of Sections 394 and 395 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

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Lloyd Piggott Limited
Chartered Accountants
Wellington House
39/41 Piccadilly
Manchester
M1 1LQ

Date:

Bahamas Locomotive Society Limited

**Statement of Financial Activities
For The Year Ended 31 December 2013**

		Unrestricted fund	Restricted fund	Total	2013 funds	Total	2012 funds
	Not es	£	£		£		£
INCOMING RESOURCES							
Incoming resources from generated funds							
Voluntary income		38,181	19,392		57,573		50,463
Investment income	2	75	3,278		3,353		678
Incoming resources from charitable activities							
Charitable activities		<u>-</u>	<u>22,823</u>		<u>22,823</u>		<u>19,076</u>
Total incoming resources		38,256	45,493		83,749		70,217
RESOURCES EXPENDED							
Costs of generating funds							
Investment management costs	3	4,402	327		4,729		4,245
Charitable activities							
Charitable activities		28,369	41,060		69,429		47,023
Governance costs		<u>2,070</u>	<u>-</u>		<u>2,070</u>		<u>1,650</u>
Total resources expended		<u>34,841</u>	<u>41,387</u>		<u>76,228</u>		<u>52,918</u>
NET INCOMING RESOURCES BEFORE TRANSFERS							
		3,415	4,106		7,521		17,299
Gross transfers between funds	10	<u>(5,314)</u>	<u>5,314</u>		<u>-</u>		<u>-</u>
Net incoming/(outgoing) resources		(1,899)	9,420		7,521		17,299
RECONCILIATION OF FUNDS							
Total funds brought forward		<u>109,837</u>	<u>219,789</u>		<u>329,626</u>		<u>312,327</u>
TOTAL FUNDS CARRIED FORWARD		<u>107,938</u>	<u>229,209</u>		<u>337,147</u>		<u>329,626</u>

The notes form part of these financial statements

Bahamas Locomotive Society Limited

Balance Sheet At 31 December 2013

		Unrestricted fund £	Restricted fund £	Total £	2013 funds £	Total £	2012 funds £
FIXED ASSETS							
Tangible assets	6	48,441	47,823	96,264		91,703	
Investments	7	<u>5,000</u>	<u>-</u>	<u>5,000</u>		<u>5,000</u>	
		53,441	47,823	101,264		96,703	
CURRENT ASSETS							
Debtors	8	17,164	2,880	20,044		17,431	
Cash at bank		<u>56,277</u>	<u>178,506</u>	<u>234,783</u>		<u>224,615</u>	
		73,441	181,386	254,827		242,046	
CREDITORS							
Amounts falling due within one year	9	(18,944)	-	(18,944)		(9,123)	
NET CURRENT ASSETS		<u>54,497</u>	<u>181,386</u>	<u>235,883</u>		<u>232,923</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>107,938</u>	<u>229,209</u>	<u>337,147</u>		<u>329,626</u>	
NET ASSETS		<u>107,938</u>	<u>229,209</u>	<u>337,147</u>		<u>329,626</u>	
FUNDS	10						
Unrestricted funds				107,938		109,837	
Restricted funds				<u>229,209</u>		<u>219,789</u>	
TOTAL FUNDS				<u>337,147</u>		<u>329,626</u>	

The notes form part of these financial statements

Bahamas Locomotive Society Limited

**Balance Sheet - continued
At 31 December 2013**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2013.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2013 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each 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 financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees on and were signed on its behalf by:

.....
J M Winderbank -Trustee

Bahamas Locomotive Society Limited

Notes to the Financial Statements For The Year Ended 31 December 2013

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

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.

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.

Tangible fixed assets

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

Land and buildings	- Straight line over 25 years
Plant and machinery etc	- 10% on reducing balance

Taxation

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

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 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.

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.

2. INVESTMENT INCOME

	2013	2012
	£	£
Deposit account interest	<u>3,353</u>	<u>678</u>

Bahamas Locomotive Society Limited

**Notes to the Financial Statements - continued
For The Year Ended 31 December 2013**

3. INVESTMENT MANAGEMENT COSTS

	2013	2012
	£	£
Fundraising & publicity	4,049	3,990
Postage	<u>680</u>	<u>255</u>
	<u>4,729</u>	<u>4,245</u>

4. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2013	2012
	£	£
Depreciation - owned assets	<u>9,239</u>	<u>8,745</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2013 nor for the year ended 31 December 2012.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2013 nor for the year ended 31 December 2012.

6. TANGIBLE FIXED ASSETS

	Building improvement s	Fixtures & Equipment	Totals
	£	£	£
COST			
At 1 January 2013	204,462	15,616	220,078
Additions	<u>13,800</u>	<u>-</u>	<u>13,800</u>
At 31 December 2013	<u>218,262</u>	<u>15,616</u>	<u>233,878</u>
 DEPRECIATION			
At 1 January 2013	117,834	10,541	128,375
Charge for year	<u>8,732</u>	<u>507</u>	<u>9,239</u>
At 31 December 2013	<u>126,566</u>	<u>11,048</u>	<u>137,614</u>
 NET BOOK VALUE			
At 31 December 2013	<u>91,696</u>	<u>4,568</u>	<u>96,264</u>
At 31 December 2012	<u>86,628</u>	<u>5,075</u>	<u>91,703</u>

Bahamas Locomotive Society Limited

**Notes to the Financial Statements - continued
For The Year Ended 31 December 2013**

6. TANGIBLE FIXED ASSETS - continued

The grant agreed by the Trustees of the National Heritage Memorial Fund is secured by way of a fixed charge over the locomotive 45596 Bahamas. The period of the charge is 15 years to the 28th March 2018.

7. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 January 2013 and 31 December 2013	<u>5,000</u>
 NET BOOK VALUE	
At 31 December 2013	<u>5,000</u>
At 31 December 2012	<u>5,000</u>

There were no investment assets outside the UK.

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

Bahamas Loco Trading Limited
Country of incorporation: England & Wales
Nature of business: Charity support business

	%			
Class of share:	holding			
Ordinary	100			
		2013	2012	
		£	£	
Aggregate capital and reserves		<u>8,232</u>	<u>8,232</u>	

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012	
	£	£	
Trade debtors	5,790	-	
Other debtors	<u>14,254</u>	<u>17,431</u>	
	<u>20,044</u>	<u>17,431</u>	

Bahamas Locomotive Society Limited

**Notes to the Financial Statements - continued
For The Year Ended 31 December 2013**

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Accrued expenses	12,301	1,650
Deferred government grants	<u>6,643</u>	<u>7,473</u>
	<u>18,944</u>	<u>9,123</u>

10. MOVEMENT IN FUNDS

	At 1.1.13	Net movement in funds	Transfers between funds	At 31.12.13
	£	£	£	£
Unrestricted funds				
General fund	109,837	3,415	(5,314)	107,938
Restricted funds				
Heritage Lottery Grant Fund: Museum	42,509	-	5,314	47,823
The Bahamas Appeal	177,280	4,106	-	181,386
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>329,626</u>	<u>7,521</u>	<u>-</u>	<u>337,147</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	38,256	(34,841)	3,415
Restricted funds			
Heritage Lottery Grant Fund: Museum	-	-	-
The Bahamas Appeal	45,493	(41,387)	4,106
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>83,749</u>	<u>(76,228)</u>	<u>7,521</u>

The Heritage Grant Fund 'Museum', included within Restricted Funds, 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 Bahamas Appeal, also within Restricted Funds, is a specific fund for the restoration of the locomotive Bahamas.

Bahamas Locomotive Society Limited

**Detailed Statement of Financial Activities
For The Year Ended 31 December 2013**

	2013	2012
	£	£
INCOMING RESOURCES		
Voluntary income		
Donations & gifts	25,998	28,374
Members subscriptions	4,001	2,056
Other income	<u>27,574</u>	<u>20,033</u>
	57,573	50,463
Investment income		
Deposit account interest	3,353	678
Incoming resources from charitable activities		
Grants	<u>22,823</u>	<u>19,076</u>
Total incoming resources	83,749	70,217
RESOURCES EXPENDED		
Investment management costs		
Fundraising & publicity	4,049	3,990
Postage	<u>680</u>	<u>255</u>
	4,729	4,245
Charitable activities		
Rent & rates	218	211
Insurance	3,969	3,712
Light and heat	1,175	2,117
Telephone	248	270
Postage and stationery	2,704	2,426
Depn of building improvements	8,732	8,180
Depn of fixtures & equipment	<u>507</u>	<u>564</u>
	17,553	17,480
Governance costs		
Accountancy	1,650	1,650
Legal fees	<u>420</u>	<u>-</u>
	2,070	1,650
Support costs		

This page does not form part of the statutory financial statements

Bahamas Locomotive Society Limited

**Detailed Statement of Financial Activities
For The Year Ended 31 December 2013**

	2013	2012
	£	£
Management		
Repairs to bldngs & equipment	2,471	1,408
Locomotive & rolling stock maintenance	<u>48,795</u>	<u>26,547</u>
	51,266	27,955
Finance		
Sundries	346	1,241
Bank charges	<u>264</u>	<u>347</u>
	<u>610</u>	<u>1,588</u>
Total resources expended	76,228	52,918
	_____	_____
Net income	<u><u>7,521</u></u>	<u><u>17,299</u></u>

This page does not form part of the statutory financial statements