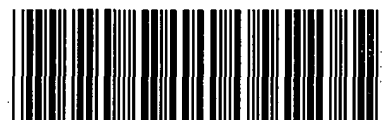


REGISTERED COMPANY NUMBER: 03230084 (England and Wales)
REGISTERED CHARITY NUMBER: 1058432

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
FOR
THE CLASS 4 PRESERVATION TRUST LTD.**

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THE CLASS 4 PRESERVATION TRUST LTD.

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for the Year Ended 31 December 2015**

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THE CLASS 4 PRESERVATION TRUST LTD.

REPORT OF THE TRUSTEES for the Year Ended 31 December 2015

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 2015. 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
03230084 (England and Wales)

Registered Charity number
1058432

Registered office

The Little Croft
42 Church Lane
Wolstanton
Newcastle
Staffordshire
ST5 0EG

Trustees

Mr Philip T Oldfield	Chairman
Mr David P Cawthorn M.B.E.	
Dr R Hully M.B., Ch.B.	
Mr Steven J Latham	
Mr Howard J Self	
Mr David Philip Thornton	
Mr Bradley Robert Smith	

Company Secretary
Mr Howard J Self

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 1985.

The company was incorporated on 26th July, 1996 and registered as a charity on 2nd October, 1996.

The liability of full members of the Society is an undertaking to contribute to the assets of the Trust in the event of its being wound up, while a member, or within one year of ceasing to be a member, a sum not exceeding one pound.

Recruitment and appointment of new trustees

Any new appointments are at the recommendation of the board.

Organisational structure

Trustees serve for a three year period and may be re-elected for a further three year period. The trustees meet at least four times a year to discuss progress and to formulate strategies.

Related parties

Please refer to page 8, note 9, for related party transactions.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

THE CLASS 4 PRESERVATION TRUST LTD.

REPORT OF THE TRUSTEES for the Year Ended 31 December 2015

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's objectives are to carry out activities relating to the acquisition, restoration and preservation and display for the public benefit of steam locomotives of historic interest and, in particular, class 4 locomotives.

The Trust currently owns two class 4 locomotives, ex-BR standard tank number 80136 and Hunslet "J94" currently numbered 68030.

The Statement of Financial Activities for the year is set out on page 3 of the financial statements. A summary of the financial results and the work of the charity is set out below.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Income

There was no income from locomotive hire for the year (2014: nil) as the 80136 is undergoing a major overhaul and locomotive 68030 is awaiting its major overhaul.

Expenditure

The nature of steam locomotives is such that most work carried out to keep the engines serviceable and safe has to be undertaken by professional engineers. Such works are paid from the Trust's accumulated reserves.

Fundraising activities

There are no current plans to develop fundraising beyond the hiring of the locomotives.

FINANCIAL REVIEW

Reserves policy

The accumulated reserves are currently being applied to provide for the heavy mechanical overhaul of 80136.

Principal funding sources

Income is generated almost exclusively from the hiring of the locomotives to companies and organisations running preserved railways.

During the summer of 2016, both locomotives will go out on loan for a period of "free" steaming, in return for the completion of restorations.

Investment policy and objectives

The Trust holds surplus capital on deposit with Barclays Bank plc. It is not the Trust's policy to take investment risks so that any accumulated funds will be held in deposit accounts offering best terms.

Approved by order of the board of trustees on 22 September 2016 and signed on its behalf by:



Mr Philip T Oldfield - Trustee

THE CLASS 4 PRESERVATION TRUST LTD.

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the Year Ended 31 December 2015**

		31.12.15	31.12.14
		Unrestricted	Total
		funds	funds
	Notes	£	£
INCOMING RESOURCES			
Incoming resources from generated funds			
Investment income	2	1	1
RESOURCES EXPENDED			
Charitable activities			
Restoration & preservation		14,305	3,876
Governance costs		340	235
		<hr/>	<hr/>
Total resources expended		14,645	4,111
		<hr/>	<hr/>
NET INCOME/(EXPENDITURE) FOR THE YEAR			
		(14,644)	(4,110)
RECONCILIATION OF FUNDS			
Total funds brought forward		226,259	230,369
		<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD		211,615	226,259
		<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

THE CLASS 4 PRESERVATION TRUST LTD.

BALANCE SHEET
At 31 December 2015

	Notes	£	31.12.15 Unrestricted funds £	31.12.14 Total funds £
FIXED ASSETS				
Tangible assets	5		320,584	319,624
CURRENT ASSETS				
Stocks			412	412
Cash at bank			4,177	6,287
			<u>4,589</u>	<u>6,699</u>
CREDITORS				
Amounts falling due within one year	6		(48,058)	(34,564)
NET CURRENT ASSETS/(LIABILITIES)			<u>(43,469)</u>	<u>(27,865)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			277,115	291,759
CREDITORS				
Amounts falling due after more than one year	7		(65,500)	(65,500)
NET ASSETS			<u>211,615</u>	<u>226,259</u>
FUNDS	8			
Unrestricted funds			211,615	226,259
TOTAL FUNDS			<u>211,615</u>	<u>226,259</u>

The notes form part of these financial statements

THE CLASS 4 PRESERVATION TRUST LTD.

BALANCE SHEET - CONTINUED

At 31 December 2015

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2015.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2015 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 January 2015).

The financial statements were approved by the Board of Trustees on 22 September 2016 and were signed on its behalf by:



Mr Philip T Oldfield -Trustee

The notes form part of these financial statements

THE CLASS 4 PRESERVATION TRUST LTD.

Notes to the Financial Statements for the Year Ended 31 December 2015

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets 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

The Trust has a practice of regular maintenance and repair of steam locomotives and any depreciation charge of the locomotives would be immaterial. The regular costs of restoration, repair, and maintenance of the locomotives are charged to the income and expenditure account in the year in which they are incurred. During the years between the overhauls, provision is made annually for the anticipated cost of major overhauls of the steam locomotives, and is disclosed separately within the Detailed Statement of Financial Activities.

Depreciation is provided at 10% reducing balance on vans and equipment to write off the assets over their estimated useful life.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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.

2. INVESTMENT INCOME

	31.12.15	31.12.14
	£	£
Deposit account interest	<u>1</u>	<u>1</u>

3. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	31.12.15	31.12.14
	£	£
Depreciation - owned assets	<u>281</u>	<u>312</u>

THE CLASS 4 PRESERVATION TRUST LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 December 2015

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2015 nor for the year ended 31 December 2014.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2015 nor for the year ended 31 December 2014.

5. TANGIBLE FIXED ASSETS

	Steam engines £	Vans & equipment £	Totals £
COST			
At 1 January 2015	326,188	3,417	329,605
Additions	-	1,241	1,241
At 31 December 2015	326,188	4,658	330,846
DEPRECIATION			
At 1 January 2015	8,033	1,948	9,981
Charge for year	134	147	281
At 31 December 2015	8,167	2,095	10,262
NET BOOK VALUE			
At 31 December 2015	318,021	2,563	320,584
At 31 December 2014	318,155	1,469	319,624

The cost of steam engines at 31st December 2015 (and 2014) includes revaluation increases of the following amounts:

Year ended 31st December 1999	£18,331
Year ended 31st December 2001	£20,000
Year ended 31st December 2004	£25,000

If the steam engines had not been revalued they would have been included at a cost of £262,857 (2014: £262,857). Steam engines were valued on an open market basis on 21st September, 2016 by Mr. P.T. Oldfield, a trustee.

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.15 £	31.12.14 £
Other loans	50,405	34,277
Value added tax	(2,697)	(48)
Directors' current accounts	10	10
Accruals	340	325
	<u>48,058</u>	<u>34,564</u>

THE CLASS 4 PRESERVATION TRUST LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the Year Ended 31 December 2015

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

The locomotives are currently undergoing major overhauls. The best estimate of the costs of the overhauls are accrued within the financial statements during the years between the overhauls.

The overhaul of 80136 commenced in April 2008. Costs incurred during the year have been charged to the statement of financial activities as 'restoration and maintenance costs'.

The Trustees' best estimate of the cost of the overhaul of the J94 stands at £75,000. The costs accrued as at 31st December 2015 relating to the J94 stand at £65,500 and are included within creditors due after more than one year. Both locomotives will be out on loan from summer 2016 for a period of "free" steaming in return for completion of the overhauls. The accrual will be released to the statement of financial activities over the period of this agreement.

8. MOVEMENT IN FUNDS

	At 1.1.15 £	Net movement in funds £	At 31.12.15 £
Unrestricted funds			
General fund	162,928	(14,644)	148,284
Revaluation reserve	63,331	-	63,331
	<u>226,259</u>	<u>(14,644)</u>	<u>211,615</u>
TOTAL FUNDS	<u>226,259</u>	<u>(14,644)</u>	<u>211,615</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1	(14,645)	(14,644)
TOTAL FUNDS	<u>1</u>	<u>(14,645)</u>	<u>(14,644)</u>

9. RELATED PARTY DISCLOSURES

Mr. P. T. Oldfield, a Trustee and director of the charitable company; has advanced a loan to the company of £50,405 to assist with the funding of the overhaul of the locomotive 80136. The loan will be repaid once the 80136 returns to steam. There is a provision within the loan agreement to charge a commercial rate of interest. The advance is included within "other loans".

Included in restoration and maintenance, are costs amounting to £13,900 (2014 £366), which were purchased from Mr. P. T. Oldfield's sole trader business at market rate.

THE CLASS 4 PRESERVATION TRUST LTD.

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 December 2015

	31.12.15	31.12.14
	£	£
INCOMING RESOURCES		
Investment income		
Deposit account interest	<u>1</u>	<u>1</u>
Total incoming resources	1	1
 RESOURCES EXPENDED		
Charitable activities		
Restoration & maintenance	13,972	3,313
Sundries	52	245
Bank charges	-	6
Depreciation of tangible fixed assets	<u>281</u>	<u>312</u>
	14,305	3,876
 Governance costs		
Accountancy	<u>340</u>	<u>235</u>
Total resources expended	14,645	4,111
 Net expenditure	<u><u>(14,644)</u></u>	<u><u>(4,110)</u></u>

This page does not form part of the statutory financial statements