

(Companies House)

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

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016  
FOR  
THE CLASS 4 PRESERVATION TRUST LTD**

TUESDAY



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COMPANIES HOUSE

**THE CLASS 4 PRESERVATION TRUST LTD**

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FOR THE YEAR ENDED 31 DECEMBER 2016**

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## **THE CLASS 4 PRESERVATION TRUST LTD**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2016**

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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 2016. 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-under-Lyme  
Staffordshire  
ST5 0EG

**Trustees**

P T Oldfield

Chairman

D P Cawthorn M.B.E.

Dr R Hully M.B., Ch.B.

S Latham

- resigned 4.4.16

H J Self

D P Thornton

B R Smith

M H Davenhill

**Company Secretary**

H 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 2006.

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.

# **THE CLASS 4 PRESERVATION TRUST LTD**

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2016**

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### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **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.

### **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 (2015:nil) as the 80136 is undergoing a major overhaul and locomotive 68060 is awaiting its major overhaul.

##### **Expenditure**

The nature of steam locomotives is such that most work is carried out to keep the engine 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 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, 80136 has been out on loan for a period of "free" steaming, in return for the completion of restorations. Steaming fees will re-commence in 2017.

#### **Investment policy and objectives**

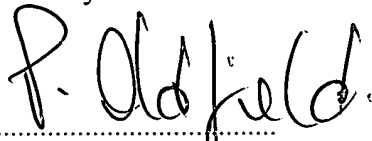
The trust holds surplus capital on deposit with Barclays Bank plc. It is not the Trust's policy to take investment risks so that any accumulated funds will be held in deposit accounts offering best terms.

**THE CLASS 4 PRESERVATION TRUST LTD**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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Approved by order of the board of trustees on ..... 9/9/17 ..... and signed on its behalf by:

  
.....

P T Oldfield - Trustee

**THE CLASS 4 PRESERVATION TRUST LTD**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	31.12.16 Unrestricted funds £	31.12.15 Total funds £
<b>INCOMING RESOURCES</b>			
<b>Incoming resources from generated funds</b>			
Investment income	2	4	1
<b>RESOURCES EXPENDED</b>			
<b>Charitable activities</b>			
Restoration & preservation		3,192	14,305
Governance costs		350	340
<b>Total resources expended</b>		<b>3,542</b>	<b>14,645</b>
<b>NET INCOMING/(OUTGOING) RESOURCES</b>			
		<b>(3,538)</b>	<b>(14,644)</b>
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>		<b>211,615</b>	<b>226,259</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>208,077</b>	<b>211,615</b>

The notes form part of these financial statements

# THE CLASS 4 PRESERVATION TRUST LTD

## BALANCE SHEET AT 31 DECEMBER 2016

		31.12.16 Unrestricted funds £	31.12.15 Total funds £
<b>FIXED ASSETS</b>	Notes		
Tangible assets	5	320,207	320,584
<b>CURRENT ASSETS</b>			
Stocks		412	412
Cash at bank		1,077	4,177
		<u>1,489</u>	<u>4,589</u>
<b>CREDITORS</b>			
Amounts falling due within one year	6	(48,119)	(48,058)
		<u></u>	<u></u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>(46,630)</u>	<u>(43,469)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>273,577</b>	<b>277,115</b>
<b>CREDITORS</b>			
Amounts falling due after more than one year	7	(65,500)	(65,500)
		<u></u>	<u></u>
<b>NET ASSETS</b>		<u><b>208,077</b></u>	<u><b>211,615</b></u>
<b>FUNDS</b>	8		
Unrestricted funds		<u>208,077</u>	<u>211,615</u>
<b>TOTAL FUNDS</b>		<u><b>208,077</b></u>	<u><b>211,615</b></u>

The notes form part of these financial statements

**THE CLASS 4 PRESERVATION TRUST LTD**

**BALANCE SHEET - CONTINUED  
AT 31 DECEMBER 2016**

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The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2016.

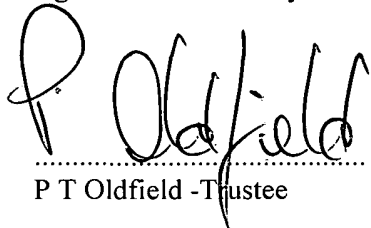
The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2016 in accordance with Section 476 of the Companies Act 2006.

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 9/9/17 and were signed on its behalf by:

  
P T Oldfield - Trustee



# **THE CLASS 4 PRESERVATION TRUST LTD**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

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### **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 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.

Vans & equipment	- 10% on reducing balance
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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.

#### **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.

# THE CLASS 4 PRESERVATION TRUST LTD

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2016

### 2. INVESTMENT INCOME

	31.12.16	31.12.15
	£	£
Deposit account interest	4	1
	<u>4</u>	<u>1</u>

### 3. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	31.12.16	31.12.15
	£	£
Depreciation - owned assets	377	281
	<u>377</u>	<u>281</u>

### 4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2016 nor for the year ended 31 December 2015.

#### TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 31 December 2016 nor for the year ended 31 December 2015.

### 5. TANGIBLE FIXED ASSETS

	Steam engines £	Vans & equipment £	Totals £
<b>COST</b>			
At 1 January 2016 and 31 December 2016	326,188	4,658	330,846
<b>DEPRECIATION</b>			
At 1 January 2016	8,167	2,095	10,262
Charge for year	121	256	377
At 31 December 2016	8,288	2,351	10,639
<b>NET BOOK VALUE</b>			
At 31 December 2016	317,900	2,307	320,207
At 31 December 2015	318,021	2,563	320,584

The cost of steam engines at 31st December 2016 (and 2015) includes revaluation increases of the following amounts:

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

# THE CLASS 4 PRESERVATION TRUST LTD

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2016

### 5. TANGIBLE FIXED ASSETS - continued

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 (2015: £262,857). Steam engines were valued on an open market basis on 2nd September, 2017 by Mr. P. T. Oldfield, a trustee.

### 6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.16	31.12.15
	£	£
Other loans	50,405	50,405
Value added tax	(2,883)	(2,697)
Directors' current account	247	10
Accruals and deferred income	350	340
	<u>48,119</u>	<u>48,058</u>

### 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 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 2016 relating to the J94 stand at £65,500 and are included within creditors due after more than one year. The accrual will be released in line with the restoration costs of the J94 being incurred in due course.

### 8. MOVEMENT IN FUNDS

	At 1.1.16	Net movement in funds	At 31.12.16
	£	£	£
<b>Unrestricted funds</b>			
General fund	148,284	(3,538)	144,746
Revaluation reserve	63,331	-	63,331
	<u>211,615</u>	<u>(3,538)</u>	<u>208,077</u>
<b>TOTAL FUNDS</b>	<u>211,615</u>	<u>(3,538)</u>	<u>208,077</u>

## THE CLASS 4 PRESERVATION TRUST LTD

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 8. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	4	(3,542)	(3,538)
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<u>4</u>	<u>(3,542)</u>	<u>(3,538)</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 £663 (2015:£13,900), 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 2016**

	<b>31.12.16</b> £	<b>31.12.15</b> £
<b>INCOMING RESOURCES</b>		
<b>Investment income</b>		
Deposit account interest	<u>4</u>	<u>1</u>
<b>Total incoming resources</b>	<b>4</b>	<b>1</b>
<b>RESOURCES EXPENDED</b>		
<b>Charitable activities</b>		
Restoration & maintenance	<b>2,809</b>	13,972
Sundries	<b>6</b>	52
Depreciation of tangible fixed assets	<u><b>377</b></u>	<u>281</u>
	<b>3,192</b>	14,305
<b>Governance costs</b>		
Accountancy	<u><b>350</b></u>	<u>340</u>
<b>Total resources expended</b>	<b>3,542</b>	14,645
<b>Net expenditure</b>	<u><u><b>(3,538)</b></u></u>	<u><u><b>(14,644)</b></u></u>

This page does not form part of the statutory financial statements