

REGISTERED COMPANY NUMBER: 3099322 (England and Wales)
REGISTERED CHARITY NUMBER: 1061693

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE
YEAR ENDED 28 FEBRUARY 2016
FOR
HOLLYCOMBE WORKING STEAM MUSEUM

Traviss & Co
Chartered Accountants
Newtown House
38 Newtown Road
Liphook
Hampshire
GU30 7DX

HOLLYCOMBE WORKING STEAM MUSEUM
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FOR THE YEAR ENDED 28 February 2016

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HOLLYCOMBE WORKING STEAM MUSEUM

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 28 February 2016

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 28 February 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

3099322 (England and Wales)

Registered Charity number

1061693

Registered office

Newtown House
38 Newtown Road
Liphook
Hampshire
GU30 7DX

Trustees

P W Corbett
Sir James Scott
D M Baldock

Solicitor

Farmer

Environmental
manager

J D Leigh-Pemberton

Estate manager

B M Gooding

Editor

C A Healey

IT project manager - resigned 12.5.16

R J S Gambrill

Trust manager

Company Secretary

Mrs J Laver LL.B

Independent examiner

M J Traviss FCA
Traviss & Co
Chartered Accountants
Newtown House
38 Newtown Road
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Hampshire
GU30 7DX

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.

Recruitment and appointment of new trustees

The existing trustees are receptive to the recruitment of new trustees who have experience in the operation of other charitable organisations or have specific skills in areas such as those related to the charitable objectives.

Induction and training of new trustees

New trustees are provided with information on the charity covering the governing document and explanations of the charitable objectives.

HOLLYCOMBE WORKING STEAM MUSEUM

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 28 February 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The charity is organised so that the trustees meet regularly to manage its affairs. A management committee meets between trustees' meetings to address operational issues.

Related parties

D M Baldock received part of the total rent as one of the Executors of Mrs P Baldock paid in the year of £17,734 (2015 - £17,667) under a formal lease for a 99 year period.

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 as well as potential risks associated with the charitable activities arising from public opening, with the collection being open for a significant number of days per annum.

Restoration and maintenance projects were taken forward on several items in the collection and improvements made to the site. Safety is a primary concern and there were no serious incidents reported during the year. Training of volunteers in safety procedures receives particular attention both in the fairground and railway operations.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal activity of the charity continues to be for the assembly and operation at Hollycombe, of a comprehensive collection of working steam engines and associated equipment performing, so far as possible, their original functions in a rural setting.

Significant activities

As usual visitors were welcomed between Easter and mid October, with a programme of early evening opening in the closing weeks of the season. The programme of Christmas openings was not organised this year due to the challenges involved in managing the exposure of equipment to the weather at that time of year. However there was an active programme of special events during the year, including the fairground weekend when a number of visiting rides and organs are displayed and running alongside the core collection.

Further improvements have been made to the quarry railway track with additional sections of old rail lifted, new ballast and sleepers being laid to support new heavier gauge rail which should be in place for many years. We intend to continue this investment programme to bring the whole quarry railway up to a new standard. Unfortunately progress on the restoration of our second narrow gauge locomotive, 'Caledonia' has been relatively slow because of the limited funds available to tackle the serious boiler work required. The Garrett converted showman's engine, 'Leiston Town', which has been on continuous duty on the bioscope for many years, has been taken out of service for boiler work, including a new smokebox.

Trustees have reviewed the extensive programme of restoration required across the collection and have embarked on a far reaching review of costs and expenditure aiming to create further resources for maintenance and align the skills available to the key requirements. This will include more focus on carpentry for example and the possible restructuring of management responsibilities with an emphasis on maximising the role of skilled volunteers in the operation of Hollycombe. Negotiations with representatives of the army regarding training opportunities for soldiers at no cost to the collection have been initiated and some possible projects identified. The potential for an HLF funding application for the next steps in Hollycombe's development is under scrutiny and contacts have been made.

HOLLYCOMBE WORKING STEAM MUSEUM

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 28 February 2016

OBJECTIVES AND ACTIVITIES

Volunteers

The collection is managed and operated almost exclusively by volunteers with a wide range of ages, skills and backgrounds. Their work extends to maintenance and restoration projects, site maintenance, interpretation, outreach and publicity, the operation of the collection, catering, retailing, cleaning and many other aspects of the museum's operation. The trustees are grateful for their tremendous work and dedication on behalf of the collection for another year.

We are very grateful for the many years of voluntary help by Colin Healey who continues to contribute to the running of the collection, including the finances and driving on the miniature railway but who is stepping down as a Trustee in 2016.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Restoration and maintenance projects were taken forward on several items in the collection, including those noted above. A major project to restore the Ghost House was a key priority and it is hoped that it will be back on display by the end of the summer season. As usual a variety of improvements were made to the site but more extensive investment is required. Safety is a primary concern and there were no serious incidents reported during the year. Training of volunteers in safety procedures receives particular attention both in the fairground and railway operations.

Visitor numbers were around the same level as in 2015 and receipts were similar as well; given increasing costs and inflation this is not generating the level of income required to maintain and restore the collection to the level we would like and action to rectify the position is required. This is a priority for Trustees. The new policy of charging visitors an annual entrance fee and allowing them to visit the collection as many times as they wish for the price of a single admission is a success and increases the level of public access without diminishing income. We intend to continue with this, having kept the options under review. Considerable numbers of visitors take advantage of this opportunity and visit the collection on several different occasions.

Sales in the café have continued to benefit from the greater number of visitors present, less so in the shop.

Feedback from visitors is generally good with much appreciation of the volunteers and the friendly atmosphere although there have been disappointments when certain fairground rides have not been able to be operated, usually because of a shortage of trained volunteers. We plan to work hard to build up our community of supporters and to offer them the best experience we can provide.

Restoration costs continue to absorb the lion's share of expenditure beyond essential running costs which are kept to a minimum. However there were not sufficient funds to cover some of the projects which we would like to undertake. For example there was regrettably slow progress in restoration of coaches on the quarry railway and we were not able to undertake the required work on the traction engine "Sunset" or on the steam farm collection. Progress on the beam engine restoration, funded privately rather than by the Trust was encouraging and it was in steam more than once. Safety remains the critical priority and was the guiding principal for investment on the fairground rides as well as in the training of volunteers and staff.

Fundraising activities

The charity held various regular events which raised £35,430 in gift aid (2015 - £35,189 and school days raised £4,558 (2015 - £4,606) .

FINANCIAL REVIEW

Reserves policy

The trustees have considered the appropriateness of the required reserves and have a policy of retaining sufficient available surplus funds to meet unforeseen damage or repairs to the collection. At present this is considered to be at around £50,000 or 5% of the original value of the collection.

Principal funding sources

The charity needs to raise sufficient funds from gate admission to the public and school visits to meet all costs of operating and maintaining the collection.

HOLLYCOMBE WORKING STEAM MUSEUM

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 28 February 2016**

Approved by order of the board of trustees on 24 November 2016 and signed on its behalf by:



D M Baldock - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
HOLLYCOMBE WORKING STEAM MUSEUM**

I report on the accounts for the year ended 28 February 2016 set out on pages six to thirteen.

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.



M J Traviss FCA
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Chartered Accountants
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Date: 28/11/16

HOLLYCOMBE WORKING STEAM MUSEUM

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 28 February 2016**

	Notes	Unrestricted fund £	Restricted fund £	2016 Total funds £	2015 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income		214,354	-	214,354	213,092
Activities for generating funds	2	8,740	-	8,740	15,703
Incoming resources from charitable activities					
Maintenance of collection		3,014	-	3,014	2,430
Educational		4,558	-	4,558	4,606
Total incoming resources		230,666	-	230,666	235,831
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income		212,238	-	212,238	223,944
Charitable activities					
Maintenance of collection		4,124	-	4,124	4,331
Governance costs		4,219	-	4,219	14,237
Other resources expended		1,394	-	1,394	1,640
Total resources expended		221,975	-	221,975	244,152
NET INCOMING/(OUTGOING) RESOURCES					
		8,691	-	8,691	(8,321)
RECONCILIATION OF FUNDS					
Total funds brought forward		116,007	2,099,840	2,215,847	2,224,168
TOTAL FUNDS CARRIED FORWARD		124,698	2,099,840	2,224,538	2,215,847

The notes form part of these financial statements

HOLLYCOMBE WORKING STEAM MUSEUM

BALANCE SHEET
At 28 February 2016

	Notes	Unrestricted fund £	Restricted fund £	2016 Total funds £	2015 Total funds £
FIXED ASSETS					
Tangible assets	6	176,818	2,064,567	2,241,385	2,242,779
Investments	7	1	-	1	1
		<u>176,819</u>	<u>2,064,567</u>	<u>2,241,386</u>	<u>2,242,780</u>
CURRENT ASSETS					
Debtors	8	39,670	35,273	74,943	35,343
Cash at bank and in hand		<u>1,332</u>	<u>-</u>	<u>1,332</u>	<u>1,081</u>
		<u>41,002</u>	<u>35,273</u>	<u>76,275</u>	<u>36,424</u>
CREDITORS					
Amounts falling due within one year	9	(93,123)	-	(93,123)	(63,357)
NET CURRENT ASSETS/(LIABILITIES)		<u>(52,121)</u>	<u>35,273</u>	<u>(16,848)</u>	<u>(26,933)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>124,698</u>	<u>2,099,840</u>	<u>2,224,538</u>	<u>2,215,847</u>
NET ASSETS		<u><u>124,698</u></u>	<u><u>2,099,840</u></u>	<u><u>2,224,538</u></u>	<u><u>2,215,847</u></u>
FUNDS	10				
Unrestricted funds				124,698	116,007
Restricted funds				<u>2,099,840</u>	<u>2,099,840</u>
TOTAL FUNDS				<u><u>2,224,538</u></u>	<u><u>2,215,847</u></u>

The notes form part of these financial statements

HOLLYCOMBE WORKING STEAM MUSEUM

BALANCE SHEET - CONTINUED

At 28 February 2016

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 28 February 2016.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 28 February 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 24 November 2016 and were signed on its behalf by:



D M Baldock -Trustee

The notes form part of these financial statements

HOLLYCOMBE WORKING STEAM MUSEUM

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 February 2016

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.

Preparation of consolidated financial statements

The financial statements contain information about Hollycombe Working Steam Museum as an individual charity and do not contain consolidated financial information as the parent of a group. The charity has taken the option under Section 398 of the Companies Act 2006 not to prepare consolidated financial statements.

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.

Incoming resources covers gift aid and other donations associated with the Inland Revenue tax refunds received, donations and lottery funding.

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.

Depreciation

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

Buildings & improvements	- not provided
Steam collection	- not provided
Fixtures & Fittings	- 15% on reducing balance

No provision for depreciation has been made in regards to the steam collection or the buildings as in the trustees opinion the value has not depreciated in the period from acquisition. The value of the collection will be reviewed in each accounting period but the cost of repairs and maintenance to be charged against income is expected to cover any reduction in value.

Taxation

No provision for taxation has been made as the company is a registered charity and is therefore exempt from taxation.

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.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

HOLLYCOMBE WORKING STEAM MUSEUM

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 28 February 2016

2. ACTIVITIES FOR GENERATING FUNDS

	2016	2015
	£	£
Covenanted profits from trading subsidiary	<u>8,740</u>	<u>15,703</u>

3. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2016	2015
	£	£
Depreciation - owned assets	1,394	1,640
Rent of land	<u>17,734</u>	<u>17,667</u>

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 28 February 2016 nor for the year ended 28 February 2015.

Trustees' expenses

There were no trustees' expenses paid for the year ended 28 February 2016 nor for the year ended 28 February 2015.

5. STAFF COSTS

	2016	2015
	£	£
Wages and salaries	50,397	51,422
Social security costs	<u>2,004</u>	<u>2,186</u>
	<u>52,401</u>	<u>53,608</u>

The average monthly number of employees during the year was as follows:

2016	2015
-	-
<u>-</u>	<u>-</u>

No employees received emoluments in excess of £60,000.

HOLLYCOMBE WORKING STEAM MUSEUM

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 28 February 2016

6. TANGIBLE FIXED ASSETS

	Buildings & improvements £	Steam collection £	Fixtures & Fittings £
COST			
At 1 March 2015 and 28 February 2016	1,132,879	1,111,735	42,904
DEPRECIATION			
At 1 March 2015	6,287	23,991	35,436
Charge for year	-	274	1,120
At 28 February 2016	6,287	24,265	36,556
NET BOOK VALUE			
At 28 February 2016	1,126,592	1,087,470	6,348
At 28 February 2015	1,126,592	1,087,744	7,468
	Motor vehicles £	Historical attractions £	Totals £
COST			
At 1 March 2015 and 28 February 2016	4,050	22,750	2,314,318
DEPRECIATION			
At 1 March 2015	4,050	1,775	71,539
Charge for year	-	-	1,394
At 28 February 2016	4,050	1,775	72,933
NET BOOK VALUE			
At 28 February 2016	-	20,975	2,241,385
At 28 February 2015	-	20,975	2,242,779

HOLLYCOMBE WORKING STEAM MUSEUM

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 28 February 2016**

7. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 March 2015 and 28 February 2016	1
	<u>1</u>
NET BOOK VALUE	
At 28 February 2016	1
	<u>1</u>
At 28 February 2015	1
	<u>1</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:

Hollycombe Retailing Ltd

Nature of business: Sale of museum merchandise and café

	%
Class of share:	holding
Ordinary	100

	2016	2015
	£	£
Aggregate capital and reserves	1	1
	<u>1</u>	<u>1</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Amounts owed by group undertakings	22,169	14,748
Other debtors	52,774	20,595
	<u>74,943</u>	<u>35,343</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Bank loans and overdrafts	2,134	7,946
Trade creditors	23,452	22,884
Taxation and social security	1,519	1,298
Other creditors	66,018	31,229
	<u>93,123</u>	<u>63,357</u>

HOLLYCOMBE WORKING STEAM MUSEUM
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 28 February 2016

10. MOVEMENT IN FUNDS

	At 1.3.15 £	Net movement in funds £	At 28.2.16 £
Unrestricted funds			
General fund	116,007	8,691	124,698
Restricted funds			
Restricted	2,099,840	-	2,099,840
TOTAL FUNDS	<u>2,215,847</u>	<u>8,691</u>	<u>2,224,538</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	230,666	(221,975)	8,691
TOTAL FUNDS	<u>230,666</u>	<u>(221,975)</u>	<u>8,691</u>

11. RELATED PARTY DISCLOSURES

Hollycombe Retailing Ltd is a wholly owned subsidiary of the Charity. In the year the profits of the subsidiary amounting to £8,740 (2015 - £15,703) were covenanted in full to the Charity. At the year end a sum of £22,169 was due from Hollycombe Retailing Ltd (2015 - £14,748).

D M Baldock received part of the total rent as one of the Executors of Mrs P Baldock paid in the year of £17,734 (2015 - £17,667) under a formal lease for a 99 year period.

