

2279310

MIDLAND RAILWAY ENTERPRISES PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 1996



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MIDLAND RAILWAY ENTERPRISES PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 1996

	PAGE NO.
Directors and officers	1
Report of the directors	2-3
Report of the auditors	4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the financial statements	8-13

MIDLAND RAILWAY ENTERPRISES PLC

DIRECTORS AND OFFICERS

FOR THE YEAR ENDED 31ST DECEMBER, 1996

DIRECTORS

A.R. Johnson

A.A. Moore

A. West

J. Twells

G. Arundel

P. Deane

C. Deeth

J. Brindley

SECRETARY

A.A. Moore

REGISTERED OFFICE

Butterley Station

RIPLEY

Derbyshire

DE5 3QZ

PRINCIPAL PLACE OF BUSINESS

Butterley Station

RIPLEY

Derbyshire

DE5 3QZ

AUDITORS

Hunter Jones Alton

Chartered Accountants and

Registered Auditors

36 Bridge Street

Belper

Derbyshire

DE56 1AX

BANKERS

Yorkshire Bank Plc

30 Oxford Road

RIPLEY

Derbyshire

COMPANY NUMBER

2279310

MIDLAND RAILWAY ENTERPRISES PLC

REPORT OF THE DIRECTORS

The directors present their annual report and the audited accounts for the year ended 31st December, 1996.

RESULTS AND DIVIDENDS

The results for the year are set out in the Profit and Loss Account on page 5.

BUSINESS REVIEW

The company's principal activities during the year were the sale of railway souvenirs, provision of catering and engineering services.

DIRECTORS AND THEIR INTERESTS

The directors in office at the date of this report are listed on page 1. The interests of the directors in the share capital of the company were as follows:-

	<u>Interest in £1 ordinary shares at 31/12/96 and 01/01/95</u>
A.R. Johnson	500
A.A. Moore	1000
J. Twells	1000
A. West	500
C. Deeth	1500
P. Deane	420
J.A. Brindley	500

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MIDLAND RAILWAY ENTERPRISES PLC

REPORT OF THE DIRECTORS (Continued)

FIXED ASSETS

The changes in fixed assets during the year are summarised in note 8 to the financial statements.

AUDITORS

The auditors, Hunter Jones Alton have indicated their willingness to accept re-appointment under section 384(1) of the Companies Act 1985.

By order of the board

A.A. Moore
Secretary

Date.....


A.A. Moore
49 July 1987

MIDLAND RAILWAY ENTERPRISES PLC
REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention and the accounting policies set out on note 1.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st December 1996, and of its results and cash flow statement for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



*Hunter Jones Alton
Chartered Accountants and
Registered Auditors
36 Bridge Street
Belper
Derbyshire
DE56 1AX*

Date...*14.8.97*

MIDLAND RAILWAY ENTERPRISES PLC**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST DECEMBER, 1996**

		<u>1996</u>	<u>1995</u>
	Note	£	£
TURNOVER	2	250,043	255,571
Less: Cost of Sales		<u>209,241</u>	<u>206,189</u>
GROSS PROFIT		40,802	49,382
Administration Expenses		32,555	34,916
Other Operating Charges		<u>15,049</u>	<u>11,720</u>
		<u>47,604</u>	<u>46,636</u>
OPERATING (LOSS)/PROFIT	3	(6,802)	2,746
Other Income	5	<u>12</u>	<u>15</u>
		(6,790)	2,761
Interest Payable & Similar Charges	6	<u>-</u>	<u>13</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES		(6,790)	2,748
RETAINED LOSS BROUGHT FORWARD		<u>(86,646)</u>	<u>(89,394)</u>
RETAINED LOSS CARRIED FORWARD		<u>(93,436)</u>	<u>(86,646)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

MIDLAND RAILWAY ENTERPRISES PLC**BALANCE SHEET AT 31ST DECEMBER, 1996**

		<u>1996</u>	<u>1995</u>
	Note	£	£
FIXED ASSETS			
Tangible Assets	8	70,200	72,432
Investments	9	<u>2</u>	<u>2</u>
		70,202	72,434
CURRENT ASSETS			
Stocks	10	42,687	46,874
Debtors	11	30	5,176
Cash at bank and in hand		<u>158</u>	<u>219</u>
		42,875	52,269
CREDITORS			
Amounts falling due within one year	12	<u>87,812</u>	<u>94,733</u>
NET CURRENT LIABILITIES		<u>(44,937)</u>	<u>(42,464)</u>
NET ASSETS		<u>25,265</u>	<u>29,970</u>
CAPITAL & RESERVES			
Called up share capital	14	118,701	116,616
Reserves	15	<u>(93,436)</u>	<u>(86,646)</u>
SHAREHOLDERS FUNDS	16	<u>25,265</u>	<u>29,970</u>

The notes on pages 8 to 13 form part of these financial statements.

These financial statements were approved by the board of directors on:-

Date.....

19 Dec 1997

Director

[Signature]

MIDLAND RAILWAY ENTERPRISES PLCCASH FLOW STATEMENTFOR THE YEAR ENDED 31ST DECEMBER, 1996

		<u>1996</u>		<u>1995</u>	
	Note	£	£	£	£
Net cash inflow from					
operating activities	17		903		15,803
Returns on investments and					
servicing of finance					
Interest received		12		15	
Interest paid		<u>-</u>		<u>(13)</u>	
Net cash inflow from					
investments and servicing of finance			12		2
Investing activities					
Purchase of tangible fixed assets		<u>-</u>		<u>(20,447)</u>	
Net cash outflow from					
investing activities			<u>-</u>		<u>(20,447)</u>
Net cash inflow/(outflow) before financing			915		(4,642)
Financing					
Issue of ordinary share capital		<u>2,085</u>		<u>3,078</u>	
Net cash inflow from financing			<u>2,085</u>		<u>3,078</u>
Increase/(Decrease) in cash					
& cash equivalents			<u>3,000</u>		<u>(1,564)</u>

MIDLAND RAILWAY ENTERPRISES PLC**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST DECEMBER, 1996****1 ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year.

Basis of accounting

The accounts have been prepared in accordance with the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with section 228 of, and schedule 4 to, the Companies Act 1985.

Depreciation

Depreciation is provided on the cost of tangible fixed assets in order to write off such cost after taking account of scrap values over the expected useful lives as follows:-

Leasehold Land & Buildings	over 50 years
Portacabins	over 10 years
Computer	over 4 years
Other Equipment	over 5 years

Stocks

Stocks are valued at the lower of cost and net realisable value.

2 TURNOVER

Turnover represents the net amounts, exclusive of Value Added Tax, invoiced and received during the year by the company, in respect of sales of souvenirs, provision of catering and engineering services.

	<u>1996</u>	<u>1995</u>
	£	£
Catering Sales	107,540	110,896
Shop Sales	81,262	84,160
Engineering and Subcontract	<u>61,241</u>	<u>60,515</u>
	<u>250,043</u>	<u>255,571</u>

3 OPERATING PROFIT/LOSS

This is stated after charging or (crediting) the following:

	<u>1996</u>	<u>1995</u>
	£	£
Depreciation of tangible fixed assets	2,232	(3,005)
Auditors' remuneration	1,000	950

MIDLAND RAILWAY ENTERPRISES PLC**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31ST DECEMBER, 1996****4 STAFF COSTS**

The average number of persons employed by the company including directors, during the year was as follows:

	<u>1996</u>	<u>1995</u>
	Number	Number
Catering and Sales	4	5
Engineering	4	5

The aggregate payroll costs of these persons were as follows:

	<u>1996</u>	<u>1995</u>
	£	£
Direct Wages	60,915	60,489
Office wages recharged by Holding Company (staff not counted above)	15,796	18,325

5 OTHER INCOME

	<u>1996</u>	<u>1995</u>
	£	£
Bank Deposit Interest	<u>12</u>	<u>15</u>
	<u>12</u>	<u>15</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1996</u>	<u>1995</u>
	£	£
Finance Charges	<u>-</u>	<u>13</u>
	<u>-</u>	<u>13</u>

MIDLAND RAILWAY ENTERPRISES PLC**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31ST DECEMBER, 1996****8 TANGIBLE FIXED ASSETS**

	Land and Buildings	Plant & Machinery	Total
	£	£	£
<u>Cost or Valuation</u>			
At 1 January 1996	<u>69,310</u>	<u>5,052</u>	<u>74,362</u>
At 31 December 1996	<u>69,310</u>	<u>5,052</u>	<u>74,362</u>
<u>Depreciation</u>			
At 1 January 1996	7,444	3,350	10,794
Charge for the year	<u>1,586</u>	<u>646</u>	<u>2,232</u>
At 31 December 1996	<u>9,030</u>	<u>3,996</u>	<u>13,026</u>
<u>Net Book Amount</u>			
At 31 December 1996	<u>60,280</u>	<u>1,056</u>	<u>61,336</u>
At 1 January 1996	<u>61,866</u>	<u>1,702</u>	<u>63,568</u>

9 FIXED ASSET INVESTMENTS

	Unlisted £
At 1 January 1996	<u>2</u>
At 31 December 1996	<u>2</u>

10 STOCKS

	1996 £	1995 £
Catering Stock	4,331	3,590
Shop Stock	35,856	40,784
Engineering Stock	<u>2,500</u>	<u>2,500</u>
	<u>42,687</u>	<u>46,874</u>

11 DEBTORS

	1996 £	1995 £
<u>Amounts Falling Due Within One Year</u>		
Trade debtors	-	550
Amounts Due By Group Companies	30	30
Other debtors	-	<u>4,596</u>
	<u>30</u>	<u>5,176</u>

MIDLAND RAILWAY ENTERPRISES PLC**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31ST DECEMBER, 1996****12 CREDITORS: Amounts falling due within one year**

	<u>1996</u>	<u>1995</u>
	£	£
Trade creditors	20,765	29,689
Accruals and deferred income	2,860	951
Amounts Due to Group Companies	63,095	59,983
Bank Overdrafts (See note 13)	208	3,269
Other Creditors	884	841
	<u>87,812</u>	<u>94,733</u>

13 BANK LOANS AND OVERDRAFTS

	<u>1996</u>	<u>1995</u>
	£	£
<u>Falling due within one year</u>		
Bank Account	<u>208</u>	<u>3,269</u>
	<u>208</u>	<u>3,269</u>

14 SHARE CAPITAL

	<u>1996</u>	<u>1995</u>
	£	£
Allotted and fully paid:		
Ordinary shares of £1 per share	<u>118,701</u>	<u>116,616</u>

15 RESERVES

	<u>1996</u>	<u>1995</u>
	£	£
Revenue Reserves brought forward	(86,646)	(89,394)
Profit Retained	<u>(6,790)</u>	<u>2,748</u>
	<u>(93,436)</u>	<u>(86,646)</u>

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1996</u>	<u>1995</u>
	£	£
Profit for the financial year	<u>(6,790)</u>	<u>2,748</u>
	(6,790)	2,748
New share capital subscribed	<u>2,085</u>	<u>3,078</u>
New addition to shareholders funds	(4,705)	5,826
Opening shareholders' funds	<u>29,970</u>	<u>24,144</u>
Closing shareholders' funds	<u>25,265</u>	<u>29,970</u>

MIDLAND RAILWAY ENTERPRISES PLC**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31ST DECEMBER, 1996****17 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW
FROM OPERATING ACTIVITIES**

	<u>1996</u>	<u>1995</u>
	£	£
Operating (loss)/profit	(6,802)	2,746
Depreciation	2,232	(3,005)
Decrease/(increase) in stocks	4,187	1,663
Decrease/(Increase) in debtors	5,146	(4,534)
(Decrease)/increase in creditors	<u>(3,860)</u>	<u>18,933</u>
Net cash inflow from continuing operations	<u>903</u>	<u>15,803</u>

**18 ANALYSIS OF CHANGES IN CASH & CASH EQUIVALENTS
DURING THE YEAR**

	<u>1996</u>	<u>1995</u>
	£	£
Balance at start of year	(3,050)	(1, 86)
Net cash inflow/(outflow)	<u>3,000</u>	<u>(1,564)</u>
Balance at end of year	<u>(50)</u>	<u>(3,050)</u>

**19 ANALYSIS OF THE BALANCES OF CASH & CASH EQUIVALENTS
AS SHOWN IN THE BALANCE SHEET**

	<u>1996</u>	<u>1995</u>	<u>Change in year</u>
	£	£	£
Bank Account	<u>(50)</u>	<u>(3,050)</u>	<u>3,000</u>
	<u>(50)</u>	<u>(3,050)</u>	<u>3,000</u>

MIDLAND RAILWAY ENTERPRISES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER, 1996

21 ULTIMATE HOLDING COMPANY

The company is a subsidiary of Midland Railway Trust Limited, a company in the United Kingdom.