

COMPANY REGISTRATION NUMBER 2279310

MIDLAND RAILWAY ENTERPRISES PLC
FINANCIAL STATEMENTS
31 DECEMBER 2011

THURSDAY



A37 *A1BKTPHK* #58
21/06/2012
COMPANIES HOUSE

ANTHON MARLOW
Chartered Certified Accountants & Statutory Auditor
6 Clinton Avenue
Nottingham
NG5 1AW

MIDLAND RAILWAY ENTERPRISES PLC
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

J A Brindley
C P Deeth
P R Binks
M J Setchell
R A L Nipper

Company secretary

M Twells

Registered office

Butterley Station
Ripley
Derbyshire
DE5 3QZ

Auditor

Anthon Marlow
Chartered Certified Accountants
& Statutory Auditor
6 Clinton Avenue
Nottingham
NG5 1AW

Bankers

Yorkshire Bank Plc
39 Oxford Street
Ripley
Derbyshire
DE5 3AJ

MIDLAND RAILWAY ENTERPRISES PLC

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2011

The directors present their report and the financial statements of the company for the year ended 31 December 2011

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the sale of railway souvenirs and the provision of catering and engineering services

The company is dependent upon the support of Midland Railway Trust Limited, a related party. Midland Railway Trust Limited have guaranteed their support for the foreseeable future

RESULTS AND DIVIDENDS

The loss for the year amounted to £11,908. The directors have not recommended a dividend

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The directors regularly assess the risks that face the company as a result of political, social and economic change and have introduced policies and procedures to mitigate those risks

DIRECTORS

The directors who served the company during the year were as follows

J A Brindley
C P Deeth
P R Binks
M J Setchell
R A L Nipper

SUBSTANTIAL SHAREHOLDINGS

The directors are aware of the following shareholdings in excess of 3% of the issued share capital of the company

	No Shares
Midland Railway Trust Limited	11,982
Amber Valley Borough Council	11,000

MIDLAND RAILWAY ENTERPRISES PLC

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2011

POLICY ON THE PAYMENT OF CREDITORS

The company endeavours to pay its creditors within 60 days from the date of the invoice

The average payment period this year was 16 days (2010 11 days)

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 year.

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

MIDLAND RAILWAY ENTERPRISES PLC

THE DIRECTORS' REPORT *(continued)*

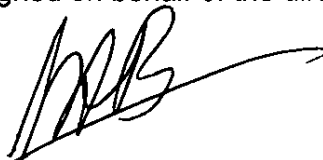
YEAR ENDED 31 DECEMBER 2011

AUDITOR

Anthon Marlow are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Registered office
Butterley Station
Ripley
Derbyshire
DE5 3QZ

Signed on behalf of the directors

A handwritten signature in black ink, appearing to be 'J A Brindley', written over a horizontal line.

Director
J A Brindley

Approved by the directors on 18 June 2012

MIDLAND RAILWAY ENTERPRISES PLC
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
MIDLAND RAILWAY ENTERPRISES PLC
YEAR ENDED 31 DECEMBER 2011

We have audited the financial statements of Midland Railway Enterprises PLC for the year ended 31 December 2011. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the company, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MIDLAND RAILWAY ENTERPRISES PLC
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
MIDLAND RAILWAY ENTERPRISES PLC *(continued)*

YEAR ENDED 31 DECEMBER 2011

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

6 Clinton Avenue
Nottingham
NG5 1AW

19 June 2012

MR A G NICKLIN FCCA (Senior
Statutory Auditor)
For and on behalf of
ANTHON MARLOW
Chartered Certified Accountants
& Statutory Auditor

MIDLAND RAILWAY ENTERPRISES PLC

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2011

	Note	2011 £	2010 £
TURNOVER	2	235,645	299,598
Cost of sales		(205,891)	(265,968)
GROSS PROFIT		29,754	33,630
Administrative expenses		(41,662)	(46,330)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(11,908)	(12,700)
Tax on loss on ordinary activities		—	—
LOSS FOR THE FINANCIAL YEAR		(11,908)	(12,700)

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 10 to 14 form part of these financial statements

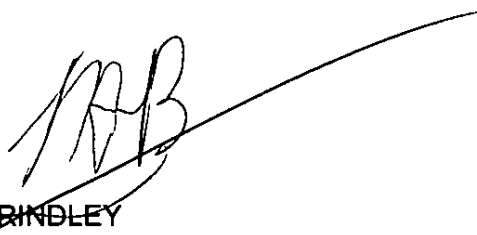
MIDLAND RAILWAY ENTERPRISES PLC

BALANCE SHEET

31 DECEMBER 2011

	Note	2011 £	£	2010 £	£
FIXED ASSETS					
Tangible assets	5		43,393		45,168
Investments	6		<u>2</u>		<u>2</u>
			43,395		45,170
CURRENT ASSETS					
Stocks	7	39,895		35,489	
Debtors	8	7,292		20,784	
Cash at bank		<u>352</u>		<u>932</u>	
		47,539		57,205	
CREDITORS: Amounts falling due within one year	9	<u>(27,762)</u>		<u>(27,295)</u>	
NET CURRENT ASSETS			<u>19,777</u>		<u>29,910</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>63,172</u>		<u>75,080</u>
CAPITAL AND RESERVES					
Called-up equity share capital	11		123,115		123,115
Profit and loss account	12		<u>(59,943)</u>		<u>(48,035)</u>
SHAREHOLDERS' FUNDS	13		<u>63,172</u>		<u>75,080</u>

These financial statements were approved by the directors and authorised for issue on 18 June 2012, and are signed on their behalf by


J A BRINDLEY

The notes on pages 10 to 14 form part of these financial statements

MIDLAND RAILWAY ENTERPRISES PLC

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2011

	Note	2011 £	2010 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	14	(580)	3,040
(DECREASE)/INCREASE IN CASH	14	<u>(580)</u>	<u>3,040</u>

The notes on pages 10 to 14 form part of these financial statements

MIDLAND RAILWAY ENTERPRISES PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention

The company is reliant upon the support of Midland Railway Trust Limited, a related party and the majority shareholder

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold Property	-	2 5% straight line
Plant & Machinery	-	25% reducing balance

Freehold land is not depreciated

Stocks

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

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

	2011 £	2010 £
United Kingdom	<u>235,645</u>	<u>299,598</u>

MIDLAND RAILWAY ENTERPRISES PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

3. OPERATING LOSS

Operating loss is stated after charging

	2011 £	2010 £
Directors' remuneration	—	—
Depreciation of owned fixed assets	1,775	1,788
Auditor's remuneration - as auditor	<u>1,000</u>	<u>1,000</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2011 No	2010 No
Number of management staff	1	1
Number of catering and sales staff	—	3
Number of engineering staff	<u>5</u>	<u>6</u>
	<u>6</u>	<u>10</u>

The aggregate payroll costs of the above were

	2011 £	2010 £
Wages and salaries	77,825	116,499
Social security costs	<u>4,127</u>	<u>6,287</u>
	<u>81,952</u>	<u>122,786</u>

5. TANGIBLE FIXED ASSETS

	Leasehold Property £	Plant & Machinery £	Total £
COST			
At 1 January 2011 and 31 December 2011	<u>78,174</u>	<u>10,526</u>	<u>88,700</u>
DEPRECIATION			
At 1 January 2011	33,172	10,360	43,532
Charge for the year	<u>1,733</u>	<u>42</u>	<u>1,775</u>
At 31 December 2011	<u>34,905</u>	<u>10,402</u>	<u>45,307</u>
NET BOOK VALUE			
At 31 December 2011	<u>43,269</u>	<u>124</u>	<u>43,393</u>
At 31 December 2010	<u>45,002</u>	<u>166</u>	<u>45,168</u>

MIDLAND RAILWAY ENTERPRISES PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

5. TANGIBLE FIXED ASSETS *(continued)*

The net book value of Freehold and Leasehold Property comprises of £8,864 relating to freehold land which is not depreciated, and £34,405 (2010 £ 36,138) related to long leasehold property

6. INVESTMENTS

Midland Railway Trust Ltd

	£
COST	
At 1 January 2011 and 31 December 2011	<u>2</u>
NET BOOK VALUE	
At 31 December 2011 and 31 December 2010	<u>2</u>

7. STOCKS

	2011 £	2010 £
Stock	<u>39,895</u>	<u>35,489</u>

8. DEBTORS

	2011 £	2010 £
Trade debtors	7,292	958
Amounts owed by group undertakings	—	19,826
	<u>7,292</u>	<u>20,784</u>

9. CREDITORS: Amounts falling due within one year

	2011 £	2010 £
Trade creditors	2,299	4,541
Amounts owed to group undertakings	2,709	—
Accruals and deferred income	<u>22,754</u>	<u>22,754</u>
	<u>27,762</u>	<u>27,295</u>

10. RELATED PARTY TRANSACTIONS

During the year the company operated a loan account with a related party, Midland Railway Trust Limited. At 31 December 2011 the company owed Midland Railway Trust Limited £2,709 (2010 £19,826 - owed by). At the year end, in accordance with the Company's Articles of Association, all available distributable profits, amounting to £nil (2010 £nil), were donated to Midland Railway Trust Limited.

MIDLAND RAILWAY ENTERPRISES PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

11. SHARE CAPITAL

Authorised share capital:

	2011 £	2010 £
500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>

Allotted, called up and fully paid:

	2011 No	£	2010 No	£
123,115 Ordinary shares of £1 each	<u>123,115</u>	<u>123,115</u>	<u>123,115</u>	<u>123,115</u>

Midland Railway Enterprises PLC is a subsidiary of Midland Railway Trust Limited. In the company's Memorandum and Articles of Association it states that Midland Railway Trust Limited shall have 20 votes for each share it holds and is entitled to all of the profits of Midland Railway Enterprises PLC.

12. PROFIT AND LOSS ACCOUNT

	2011 £	2010 £
Balance brought forward	(48,035)	(35,335)
Loss for the financial year	<u>(11,908)</u>	<u>(12,700)</u>
Balance carried forward	<u>(59,943)</u>	<u>(48,035)</u>

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Loss for the financial year	(11,908)	(12,700)
Opening shareholders' funds	<u>75,080</u>	<u>87,780</u>
Closing shareholders' funds	<u>63,172</u>	<u>75,080</u>

14. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING LOSS TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating loss	(11,908)	(12,700)
Depreciation	1,775	1,788
(Increase)/decrease in stocks	(4,406)	11,893
Decrease in debtors	13,492	4,024
Increase/(decrease) in creditors	<u>467</u>	<u>(1,965)</u>
Net cash (outflow)/inflow from operating activities	<u>(580)</u>	<u>3,040</u>

MIDLAND RAILWAY ENTERPRISES PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

14. NOTES TO THE CASH FLOW STATEMENT *(continued)*

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2011 £	2010 £
(Decrease)/Increase in cash in the period	<u>(580)</u>	<u>3,040</u>
Movement in net funds in the period	<u>(580)</u>	<u>3,040</u>
Net funds at 1 January 2011	<u>932</u>	<u>(2,108)</u>
Net funds at 31 December 2011	<u>352</u>	<u>932</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2011 £	Cash flows £	At 31 Dec 2011 £
Net cash			
Cash in hand and at bank	<u>932</u>	<u>(580)</u>	<u>352</u>
Net funds	<u>932</u>	<u>(580)</u>	<u>352</u>

15. ULTIMATE PARENT COMPANY

Midland Railway Enterprises PLC is a subsidiary of Midland Railway Trust Limited Consolidated group accounts which include this company can be obtained from the company's registered office

MIDLAND RAILWAY ENTERPRISES PLC
MANAGEMENT INFORMATION
YEAR ENDED 31 DECEMBER 2011

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 5 to 6**

MIDLAND RAILWAY ENTERPRISES PLC

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2011

	2011	2010
	£	£
TURNOVER	235,645	299,598
COST OF SALES		
Opening stock	35,489	47,382
Catering purchases	29,516	28,254
Shop purchases	41,281	30,501
Engineering purchases	19,277	17,782
Farm purchases	—	2,925
Direct wages	64,216	102,356
National insurance contributions on direct labour	4,127	6,287
Transport charged by Trust	—	838
Event expenditure	<u>51,880</u>	<u>65,132</u>
	245,786	301,457
Closing stock	<u>(39,895)</u>	<u>(35,489)</u>
	(205,891)	(265,968)
GROSS PROFIT	29,754	33,630
OVERHEADS		
Administrative expenses	<u>(41,662)</u>	<u>(46,330)</u>
LOSS ON ORDINARY ACTIVITIES	<u>(11,908)</u>	<u>(12,700)</u>

MIDLAND RAILWAY ENTERPRISES PLC
NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2011

	2011		2010
	£	£	£
ADMINISTRATIVE EXPENSES			
Personnel costs			
Administrative staff salaries		13,609	14,143
Establishment expenses			
Light and heat	12,369		10,026
Insurance	<u>5,320</u>		<u>8,435</u>
		17,689	18,461
General expenses			
Postage and telephone	801		1,690
Repairs and maintenance	61		1,203
Printing and stationery	1,106		2,058
Laundry and cleaning	2,492		2,578
Advertising and publicity	3,129		3,409
Auditors remuneration	1,000		1,000
Depreciation of leasehold property	1,733		1,733
Depn of plant and machinery	<u>42</u>		<u>55</u>
		<u>10,364</u>	<u>13,726</u>
		<u>41,662</u>	<u>46,330</u>