

2279310

COMPANY REGISTRATION NUMBER

MIDLAND RAILWAY ENTERPRISES PLC
FINANCIAL STATEMENTS
31 DECEMBER 2013

THURSDAY



A3ACRE0A

A16

19/06/2014

#318

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

Company secretary

C. P. Deeth

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

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2013

MAIN OBJECTIVES

The main objectives of the company is to demonstrate and educate the visiting public in the methods and equipment used in the running of standard gauge railways from the 1860's to the recent past. The presentation is designed around a relaxing day out for the family. However, on specific days, clearly shown in our operating schedule, specialist events are organised that focus on certain key aspects of railway and related operations.

STRATEGY OF THE COMPANY

The strategy of the company is to secure long term funding to improve and obtain railway equipment to encourage visitors to the site to demonstrate and educate the workings of days gone by.

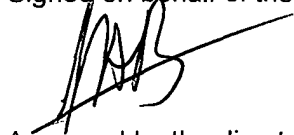
BUSINESS MODEL AND RISKS

Experience from 2013 has indicated that the company needs to take an in depth review of its cost base and this is likely to involve a reduction in staffing numbers when completed in the early spring of 2014. Consequently, there are plans to turn some activities over to a volunteer led operations. The opening of the function room, now titled Deeley's, in Swanwick Junction station, will result in a new income stream and will form part of the reorganised catering facilities.

It is planned to use a new discount voucher supplier for 2014, thus attracting a new group of customers. With the past year's experience to hand it is also likely that an improved financial arrangement can be reached with this new supplier. Following the changes in 2013 to the family oriented events, the majority of these new events will operate again in 2014 with improvements resulting from the feedback received last year.

Work to accelerate the overhaul for one of the ex-LMS 3F locomotives will be a major focus for the year as its entry into traffic in 2016 will be a necessity. Concentrated fundraising efforts will also be started to ensure a speedy overhaul of those locomotives coming out of traffic at the same time.

Signed on behalf of the directors



J.A Brindley

Director

Approved by the directors on 20 June 2014

MIDLAND RAILWAY ENTERPRISES PLC

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2013

The directors present their report and the financial statements of the company for the year ended 31 December 2013.

RESULTS AND DIVIDENDS

The loss for the year amounted to £21,827. 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

M.J. Setchell retired as a director on 17 April 2013.
R.A.L. Nipper retired as a director on 17 April 2013.

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	22,042
Amber Valley Borough Council	11,000

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 25 days (2012 : 17 days).

MIDLAND RAILWAY ENTERPRISES PLC

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2013

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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 these 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;
- state whether applicable UK 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 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.

STRATEGIC REPORT

The main objectives, strategy and business model and risks of the company are set out in the Strategic Report.

AUDITOR

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

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

MIDLAND RAILWAY ENTERPRISES PLC

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2013

Registered office:
Butterley Station
Ripley
Derbyshire
DE5 3QZ

Signed on behalf of the directors



J.A Brindley

Director

Approved by the directors on 20 June 2014

MIDLAND RAILWAY ENTERPRISES PLC

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MIDLAND RAILWAY ENTERPRISES PLC

YEAR ENDED 31 DECEMBER 2013

We have audited the financial statements of Midland Railway Enterprises PLC for the year ended 31 December 2013 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and the related notes. 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 4, 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 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 directors; 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2013 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 MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and 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 2013

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

21 June 2014

MR ALISTAIR GERALD 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 2013

	Note	2013 £	2012 £
TURNOVER	2	170,973	186,283
Cost of sales		(159,054)	(173,895)
GROSS PROFIT		11,919	12,388
Administrative expenses		(33,746)	(36,316)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(21,827)	(23,928)
Tax on loss on ordinary activities		—	—
LOSS FOR THE FINANCIAL YEAR		(21,827)	(23,928)

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 11 to 15 form part of these financial statements.

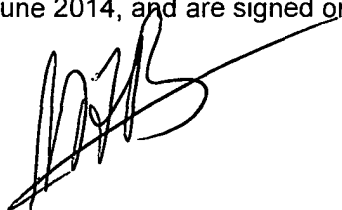
MIDLAND RAILWAY ENTERPRISES PLC

BALANCE SHEET

31 DECEMBER 2013

	Note	2013 £	£	2012 £
FIXED ASSETS				
Tangible assets	5		39,865	41,618
Investments	6		2	2
			<u>39,867</u>	<u>41,620</u>
CURRENT ASSETS				
Stocks	7	36,396		30,284
Debtors	8	6,753		4,008
Cash at bank		905		1,214
		<u>44,054</u>		<u>35,506</u>
CREDITORS: Amounts falling due within one year	9	<u>(66,504)</u>		<u>(37,882)</u>
NET CURRENT LIABILITIES			<u>(22,450)</u>	<u>(2,376)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>17,417</u>	<u>39,244</u>
CAPITAL AND RESERVES				
Called-up equity share capital	11		123,115	123,115
Profit and loss account	12		(105,698)	(83,871)
SHAREHOLDERS' FUNDS	13		<u>17,417</u>	<u>39,244</u>

These financial statements were approved by the directors and authorised for issue on 20 June 2014, and are signed on their behalf by:



J.A. BRINDLEY

The notes on pages 11 to 15 form part of these financial statements.

MIDLAND RAILWAY ENTERPRISES PLC

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	£	2012 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	14		(309)	862
(DECREASE)/INCREASE IN CASH	14		<u>(309)</u>	<u>862</u>

The notes on pages 11 to 15 form part of these financial statements.

MIDLAND RAILWAY ENTERPRISES PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

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:

	2013	2012
	£	£
United Kingdom	<u>170,973</u>	<u>186,283</u>

MIDLAND RAILWAY ENTERPRISES PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

3. OPERATING LOSS

Operating loss is stated after charging:

	2013 £	2012 £
Directors' remuneration	—	—
Depreciation of owned fixed assets	1,753	1,775
Auditor's remuneration	<u>1,000</u>	<u>1,000</u>
	2013 £	2012 £
Auditor's remuneration - audit of the financial statements	<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:

	2013 No	2012 No
Number of management staff	1	1
Number of engineering staff	<u>4</u>	<u>4</u>
	<u>5</u>	<u>5</u>

The aggregate payroll costs of the above were:

	2013 £	2012 £
Wages and salaries	58,171	59,756
Social security costs	<u>2,470</u>	<u>2,723</u>
	<u>60,641</u>	<u>62,479</u>

5. TANGIBLE FIXED ASSETS

	Leasehold and Freehold Property £	Plant & Machinery £	Total £
COST			
At 1 January 2013 and 31 December 2013	<u>78,174</u>	<u>10,526</u>	<u>88,700</u>
DEPRECIATION			
At 1 January 2013	36,638	10,444	47,082
Charge for the year	<u>1,733</u>	<u>20</u>	<u>1,753</u>
At 31 December 2013	<u>38,371</u>	<u>10,464</u>	<u>48,835</u>
NET BOOK VALUE			
At 31 December 2013	<u>39,803</u>	<u>62</u>	<u>39,865</u>

MIDLAND RAILWAY ENTERPRISES PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

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 £30,939 (2012 : £ 32,672) related to long leasehold property.

6. INVESTMENTS

Midland Railway Trust Ltd

	£
COST	
At 1 January 2013 and 31 December 2013	<u>2</u>
NET BOOK VALUE	
At 31 December 2013 and 31 December 2012	<u>2</u>

7. STOCKS

	2013	2012
	£	£
Stock	<u>36,396</u>	<u>30,284</u>

8. DEBTORS

	2013	2012
	£	£
Trade debtors	<u>6,753</u>	<u>4,008</u>

9. CREDITORS: Amounts falling due within one year

	2013	2012
	£	£
Trade creditors	6,484	4,098
Amounts owed to group undertakings	37,266	11,030
Accruals and deferred income	<u>22,754</u>	<u>22,754</u>
	<u>66,504</u>	<u>37,882</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 2013 the company owed Midland Railway Trust Limited £37,266 (2012 : £11,030). At the year end, in accordance with the Company's Articles of Association, all available distributable profits, amounting to £nil (2012 : £nil), were donated to Midland Railway Trust Limited.

MIDLAND RAILWAY ENTERPRISES PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

11. SHARE CAPITAL

Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
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

	2013 £	2012 £
Balance brought forward	(83,871)	(59,943)
Loss for the financial year	<u>(21,827)</u>	<u>(23,928)</u>
Balance carried forward	<u>(105,698)</u>	<u>(83,871)</u>

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Loss for the financial year	(21,827)	(23,928)
Opening shareholders' funds	<u>39,244</u>	<u>63,172</u>
Closing shareholders' funds	<u>17,417</u>	<u>39,244</u>

14. NOTES TO THE CASH FLOW STATEMENT

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

	2013 £	2012 £
Operating loss	(21,827)	(23,928)
Depreciation	1,753	1,775
(Increase)/decrease in stocks	(6,112)	9,611
(Increase)/decrease in debtors	(2,745)	3,284
Increase in creditors	<u>28,622</u>	<u>10,120</u>
Net cash (outflow)/inflow from operating activities	<u>(309)</u>	<u>862</u>

MIDLAND RAILWAY ENTERPRISES PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

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

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2013	2012
	£	£
(Decrease)/Increase in cash in the period	(309)	862
Movement in net funds in the period	(309)	862
Net funds at 1 January 2013	1,214	352
Net funds at 31 December 2013	905	1,214

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2013	Cash flows	At 31 Dec 2013
	£	£	£
Net cash:			
Cash in hand and at bank	1,214	(309)	905
Net funds	1,214	(309)	905

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.