

MIDLAND RAILWAY ENTERPRISES PLC
FINANCIAL STATEMENTS
31 DECEMBER 2014

TUESDAY



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30/06/2015

#269

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 28 St Peter's Street Derby DE1 1SL

MIDLAND RAILWAY ENTERPRISES PLC

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2014

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

Following experience in 2013 the company took an in depth review of its cost base with the result of several activities have been turned over to a volunteer led operation. The marketing of new opportunities as a result as a result of completion of the Deeley's function room in Swanwick Junction station, will be a project for 2015.

A new discount voucher supplier was used for 2014 which had more beneficial financial terms including an improved effect on cashflow.

Ex LMS 3F locomotive 47327 was withdrawn from traffic for overhaul earlier than expected due to failure of the boiler tubes and the financial impact of replacing these for a much reduced life. A fundraising appeal was launched for the funds to overhaul this locomotive, 73129, and the other two 3F locomotives, on a rolling basis, though firm programmes and extent of this work are to be developed following detailed inspection.

Signed on behalf of the directors



J.A Brindley

Director

Approved by the directors on 28 June 2015

MIDLAND RAILWAY ENTERPRISES PLC

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2014

The directors present their report and the financial statements of the company for the year ended 31 December 2014.

RESULTS AND DIVIDENDS

The profit for the year amounted to £6,594. 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

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 29 days (2013 : 25 days).

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:

MIDLAND RAILWAY ENTERPRISES PLC

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2014

- 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.

Registered office:
Butterley Station
Ripley
Derbyshire
DE5 3QZ

Signed on behalf of the directors



J.A Brindley

Director

Approved by the directors on 28 June 2015

MIDLAND RAILWAY ENTERPRISES PLC

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

YEAR ENDED 31 DECEMBER 2014

We have audited the financial statements of Midland Railway Enterprises PLC for the year ended 31 December 2014. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 pages 3 to 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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 2014

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime.

6 Clinton Avenue
Nottingham
NG5 1AW

29 June 2015

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 2014

	Note	2014 £	2013 £
TURNOVER	2	162,084	170,973
Cost of sales		(131,567)	(159,054)
GROSS PROFIT		30,517	11,919
Administrative expenses		(23,923)	(33,746)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		6,594	(21,827)
Tax on profit/(loss) on ordinary activities		—	—
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		6,594	(21,827)

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

MIDLAND RAILWAY ENTERPRISES PLC

BALANCE SHEET

31 DECEMBER 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Tangible assets	5	38,112	39,865
Investments	6	2	2
		<u>38,114</u>	<u>39,867</u>
CURRENT ASSETS			
Stocks	7	31,046	36,396
Debtors	8	5,598	6,753
Cash at bank		2,361	905
		<u>39,005</u>	<u>44,054</u>
CREDITORS: Amounts falling due within one year	9	<u>(53,108)</u>	<u>(66,504)</u>
NET CURRENT LIABILITIES		<u>(14,103)</u>	<u>(22,450)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>24,011</u>	<u>17,417</u>
CAPITAL AND RESERVES			
Called-up equity share capital	11	123,115	123,115
Profit and loss account	12	(99,104)	(105,698)
SHAREHOLDERS' FUNDS		<u>24,011</u>	<u>17,417</u>

These financial statements were approved by the directors and authorised for issue on 28 June 2015, 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 2014

	Note	2014 £	2013 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	13	1,456	(309)
INCREASE/(DECREASE) IN CASH	13	<u>1,456</u>	<u>(309)</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 2014

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

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 profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2014 £	2013 £
United Kingdom	<u>162,084</u>	<u>170,973</u>

MIDLAND RAILWAY ENTERPRISES PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

3. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

	2014 £	2013 £
Directors' remuneration	—	—
Depreciation of owned fixed assets	1,753	1,753
Auditor's remuneration	<u>1,500</u>	<u>1,000</u>
	2014 £	2013 £
Auditor's remuneration - audit of the financial statements	<u>1,500</u>	<u>1,000</u>

4. PARTICULARS OF EMPLOYEES

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

	2014 No	2013 No
Number of management staff	1	1
Number of engineering staff	5	4
	<u>6</u>	<u>5</u>

The aggregate payroll costs of the above were:

	2014 £	2013 £
Wages and salaries	68,587	58,171
Social security costs	<u>2,960</u>	<u>2,470</u>
	<u>71,547</u>	<u>60,641</u>

5. TANGIBLE FIXED ASSETS

	Leasehold and Freehold Property £	Plant & Machinery £	Total £
COST			
At 1 January 2014 and 31 December 2014	<u>78,174</u>	<u>10,526</u>	<u>88,700</u>
DEPRECIATION			
At 1 January 2014	38,371	10,464	48,835
Charge for the year	<u>1,733</u>	<u>20</u>	<u>1,753</u>
At 31 December 2014	<u>40,104</u>	<u>10,484</u>	<u>50,588</u>
NET BOOK VALUE			
At 31 December 2014	<u>38,070</u>	<u>42</u>	<u>38,112</u>
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 2014

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 £29,206 (2013 : £30,939) related to long leasehold property.

6. INVESTMENTS

Midland Railway Trust Ltd

	£
COST	
At 1 January 2014 and 31 December 2014	<u>2</u>
NET BOOK VALUE	
At 31 December 2014 and 31 December 2013	<u>2</u>

7. STOCKS

	2014 £	2013 £
Stock	<u>31,046</u>	<u>36,396</u>

8. DEBTORS

	2014 £	2013 £
Trade debtors	<u>5,598</u>	<u>6,753</u>

9. CREDITORS: Amounts falling due within one year

	2014 £	2013 £
Trade creditors	5,052	6,484
Amounts owed to group undertakings	47,056	37,266
Accruals and deferred income	<u>1,000</u>	<u>22,754</u>
	<u>53,108</u>	<u>66,504</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 2014 the company owed Midland Railway Trust Limited £47,056 (2013 : £37,266). At the year end, in accordance with the Company's Articles of Association, all available distributable profits, amounting to £6,594 (2013 : £nil), were donated to Midland Railway Trust Limited.

MIDLAND RAILWAY ENTERPRISES PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

11. SHARE CAPITAL

Allotted, called up and fully paid:

	2014		2013	
	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

	2014	2013
	£	£
Balance brought forward	(105,698)	(83,871)
Profit/(loss) for the financial year	<u>6,594</u>	<u>(21,827)</u>
Balance carried forward	<u>(99,104)</u>	<u>(105,698)</u>

13. NOTES TO THE CASH FLOW STATEMENT

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

	2014	2013
	£	£
Operating profit/(loss)	6,594	(21,827)
Depreciation	1,753	1,753
Decrease/(increase) in stocks	5,350	(6,112)
Decrease/(increase) in debtors	1,155	(2,745)
(Decrease)/increase in creditors	<u>(13,396)</u>	<u>28,622</u>
Net cash inflow/(outflow) from operating activities	<u>1,456</u>	<u>(309)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2014	2013
	£	£
Increase/(Decrease) in cash in the period	<u>1,456</u>	<u>(309)</u>
Movement in net funds in the period	<u>1,456</u>	<u>(309)</u>
Net funds at 1 January 2014	<u>905</u>	<u>1,214</u>
Net funds at 31 December 2014	<u>2,361</u>	<u>905</u>

MIDLAND RAILWAY ENTERPRISES PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

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

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2014 £	Cash flows £	At 31 Dec 2014 £
Net cash:			
Cash in hand and at bank	<u>905</u>	<u>1,456</u>	<u>2,361</u>
Net funds	<u>905</u>	<u>1,456</u>	<u>2,361</u>

14. 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.