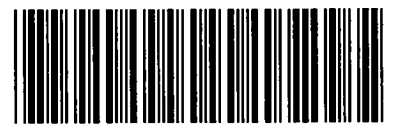


COMPANY REGISTRATION NUMBER: 2279310

Midland Railway Enterprises PLC
Financial Statements
31 December 2016

ANTHON MARLOW
Chartered Certified Accountants & statutory auditor
6 Clinton Avenue
Nottingham
NG5 1AW

THURSDAY



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29/06/2017
COMPANIES HOUSE

Midland Railway Enterprises PLC

Officers and Professional Advisers

The board of directors	C.P. Deeth P.R. Binks A.C. Gibson
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 2016

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 Midland Railway - Butterley to demonstrate and educate the workings of days gone by.

BUSINESS MODEL AND RISKS

Delivery strategy has continued to major on volunteer led activities, albeit with a significant increase in the volume of engineering work for external parties, undertaken by employees. New events aimed at a varied audience have proven both successful and unsuccessful and the successful events will be developed further in 2017.

BR Standard locomotive 73129's boiler certificate expired early in the year, and the locomotive has been put on display in the Matthew Kirtley Building pending the availability of funding for overhaul. Tenders have been received and a contract let for remedial works to the boiler of Ex LMS 3F locomotive 47327 with the boiler departing to the external contractor's boiler works. This has resulted in a number of hires of steam locomotives, with long term hires being preferred. During the year the permanent loss of the former Butterley Works Top Plane has been confirmed, with the owner obtaining agreement from Amber Valley District Council to fill and landscape the area instead of retaining the loading facility. This has resulted in changes to allow Butterley Station Yard to be made available for loading and offloading rail vehicles onto road transport, which has proven successful to date. Discussions continue with neighbours in respect of a secondary access. The recruitment process for a Chief Executive Officer culminated in an appointment being made in May 2016, providing a significant increase in the company's management resource. Further recruitment is proposed for 2017. In addition to recruitment activity, the group relationships are to be considered during 2017 as part of the Midland Railway Trust's Heritage Lottery Funded 'Securing the Future' project.

This report was approved by the board of directors on 28 June 2017 and signed on behalf of the board by:



A.C. Gibson
Director

Registered office:
Butterley Station
Ripley
Derbyshire
DE5 3QZ

Midland Railway Enterprises PLC

Directors' Report

Year ended 31 December 2016

The directors present their report and the financial statements of the company for the year ended 31 December 2016.

Directors

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

J.A. Brindley
C.P. Deeth
P.R. Binks
A.C. Gibson

Dividends

The directors do not recommend the payment of a dividend.

Disclosure of information in the strategic report

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

Directors' responsibilities statement

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 the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

Midland Railway Enterprises PLC

Directors' Report *(continued)*

Year ended 31 December 2016

Auditor

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

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have 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.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 28 June 2017 and signed on behalf of the board by:



A.C. Gibson
Director

Registered office:
Butterley Station
Ripley
Derbyshire
DE5 3QZ

Midland Railway Enterprises PLC

Independent Auditor's Report to the Members of Midland Railway Enterprises PLC

Year ended 31 December 2016

We have audited the financial statements of Midland Railway Enterprises PLC for the year ended 31 December 2016 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, 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 members 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 members 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, 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 strategic report and the directors' 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 2016 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.

Midland Railway Enterprises PLC

Independent Auditor's Report to the Members of Midland Railway Enterprises PLC (continued)

Year ended 31 December 2016

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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; and
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report.

6 Clinton Avenue
Nottingham
NG5 1AW

29 June 2017

Mr Alistair Gerald Nicklin FCCA (Senior
Statutory Auditor)

For and on behalf of
Anthon Marlow
Chartered Certified Accountants & statutory
auditor

Midland Railway Enterprises PLC

Statement of Comprehensive Income

Year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	4	162,192	144,756
Cost of sales		134,218	105,836
Gross profit		27,974	38,920
Administrative expenses		28,069	23,093
Operating (loss)/profit	5	(95)	15,827
(Loss)/profit before taxation		(95)	15,827
Tax on (loss)/profit		—	—
(Loss)/profit for the financial year and total comprehensive income		(95)	15,827

All the activities of the company are from continuing operations.

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

Midland Railway Enterprises PLC

Statement of Financial Position

31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	8	34,620	36,359
Investments	9	<u>2</u>	<u>2</u>
		34,622	36,361
Current assets			
Stocks	10	28,474	28,557
Debtors	11	5,167	7,137
Cash at bank and in hand		<u>21,742</u>	<u>—</u>
		55,383	35,694
Creditors: Amounts falling due within one year	13	<u>49,042</u>	<u>30,997</u>
Net current assets		6,341	4,697
Total assets less current liabilities		40,963	41,058
Net assets		40,963	41,058
Capital and reserves			
Called up share capital	15	124,335	124,335
Profit and loss account	16	<u>(83,372)</u>	<u>(83,277)</u>
Members funds		40,963	41,058

These financial statements were approved by the board of directors and authorised for issue on 28 June 2017, and are signed on behalf of the board by:



A.C. Gibson
Director

Company registration number: 2279310

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

Midland Railway Enterprises PLC

Statement of Changes in Equity

Year ended 31 December 2016

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2015	123,115	(99,104)	24,011
Profit for the year	—	15,827	15,827
Total comprehensive income for the year	—	15,827	15,827
Issue of shares	1,220	—	1,220
Total investments by and distributions to owners	1,220	—	1,220
At 31 December 2015	124,335	(83,277)	41,058
Loss for the year	—	(95)	(95)
Total comprehensive income for the year	—	(95)	(95)
At 31 December 2016	124,335	(83,372)	40,963

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

Midland Railway Enterprises PLC

Statement of Cash Flows

Year ended 31 December 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
(Loss)/profit for the financial year		(95)	15,827
<i>Adjustments for:</i>			
Depreciation of tangible assets		1,739	1,753
Accrued expenses		2,250	–
<i>Changes in:</i>			
Stocks		83	2,489
Trade and other debtors		1,970	(48,595)
Trade and other creditors		878	(161)
Cash generated from operations		<u>6,825</u>	<u>(28,687)</u>
Net cash from/(used in) operating activities		<u>6,825</u>	<u>(28,687)</u>
Cash flows from financing activities			
Proceeds from issue of ordinary shares		–	1,220
Proceeds from loans from group undertakings		15,642	24,381
Net cash from financing activities		<u>15,642</u>	<u>25,601</u>
Net increase/(decrease) in cash and cash equivalents		22,467	(3,086)
Cash and cash equivalents at beginning of year		(725)	2,361
Cash and cash equivalents at end of year	12	<u>21,742</u>	<u>(725)</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 2016

1. General information

The company is a public company limited by shares, registered in England and Wales. The address of the registered office is Butterley Station, Ripley, Derbyshire, DE5 3QZ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

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

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 19.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

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

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Midland Railway Enterprises PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

Depreciation

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

Freehold Property	-	2% straight line
Plant and machinery	-	25% reducing balance

Freehold land is not depreciated.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

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.

4. Turnover

Turnover arises from:

	2016 £	2015 £
Sale of goods and services	<u>162,192</u>	<u>144,756</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Operating profit

Operating profit or loss is stated after charging:

	2016 £	2015 £
Depreciation of tangible assets	<u>1,739</u>	<u>1,753</u>

Midland Railway Enterprises PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

6. Auditor's remuneration

	2016	2015
	£	£
Fees payable for the audit of the financial statements	<u>3,750</u>	<u>1,500</u>

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2016 No.	2015 No.
Management staff	1	1
Number of engineering staff	4	3
	<u>5</u>	<u>4</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2016 £	2015 £
Wages and salaries	57,601	55,465
Social security costs	<u>3,327</u>	<u>2,451</u>
	<u>60,928</u>	<u>57,916</u>

8. Tangible assets

	Land and buildings £	Plant and machinery £	Total £
Cost			
At 1 Jan 2016 and 31 Dec 2016	<u>78,174</u>	<u>10,526</u>	<u>88,700</u>
Depreciation			
At 1 January 2016	41,837	10,504	52,341
Charge for the year	<u>1,733</u>	<u>6</u>	<u>1,739</u>
At 31 December 2016	<u>43,570</u>	<u>10,510</u>	<u>54,080</u>
Carrying amount			
At 31 December 2016	<u>34,604</u>	<u>16</u>	<u>34,620</u>
At 31 December 2015	<u>36,337</u>	<u>22</u>	<u>36,359</u>

The net book value of Freehold and Leasehold Property comprises of £8,864 relating to freehold land which is not depreciated, and £25,740 (2015 : £27,473) related to long leasehold property.

Midland Railway Enterprises PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

9. Investments

	Other investment s other than loans £
Cost	
At 1 Jan 2016 and 31 Dec 2016	<u>2</u>
Impairment	
At 1 Jan 2016 and 31 Dec 2016	<u>—</u>
Carrying amount	
At 31 December 2016	<u>2</u>

10. Stocks

	2016 £	2015 £
Raw materials and consumables	<u>28,474</u>	<u>28,557</u>

11. Debtors

	2016 £	2015 £
Trade debtors	<u>5,167</u>	<u>7,137</u>

12. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2016 £	2015 £
Cash at bank and in hand	21,742	—
Bank overdrafts	<u>—</u>	<u>(725)</u>
	<u>21,742</u>	<u>(725)</u>

13. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	—	725
Trade creditors	5,769	4,891
Amounts owed to group undertakings	40,023	24,381
Accruals and deferred income	<u>3,250</u>	<u>1,000</u>
	<u>49,042</u>	<u>30,997</u>

Midland Railway Enterprises PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

14. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2016 £	2015 £
Financial assets that are equity instruments measured at cost less impairment		
Financial assets that are equity instruments measured at cost less impairment	<u>2</u>	<u>2</u>

15. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>124,335</u>	<u>124,335</u>	<u>124,335</u>	<u>124,335</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.

16. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

17. Related party transactions

During the year the company operated a loan account with a related party, Midland Railway Trust Limited. At 31 December 2016 the company owed Midland Railway Trust Limited £40,023 (2015 : £24,381). At the year end, in accordance with the Company's Articles of Association, all available distributable profits, amounting to £95 (loss) (2015 : £15,827 - profit), were donated to Midland Railway Trust Limited.

18. Controlling party

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.

19. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2015.

No transitional adjustments were required in equity or profit or loss for the year.

Midland Railway Enterprises PLC

Management Information

Year ended 31 December 2016

The following pages do not form part of the financial statements.

Midland Railway Enterprises PLC

Detailed Income Statement

Year ended 31 December 2016

	2016 £	2015 £
Turnover	162,192	144,756
Cost of sales		
Opening stock	28,557	31,046
Catering purchases	23,636	22,163
Shop purchases	35,771	28,625
Engineering purchases	17,340	—
Wages and salaries	43,642	41,951
Social security costs	3,327	2,451
Event expenditure	10,419	8,157
	<u>162,692</u>	<u>134,393</u>
Closing stock	28,474	28,557
	<u>134,218</u>	<u>105,836</u>
Gross profit	27,974	38,920
Overheads		
Administrative expenses	28,069	23,093
Operating (loss)/profit	(95)	15,827
(Loss)/profit before taxation	(95)	15,827

Midland Railway Enterprises PLC

Notes to the Detailed Income Statement

Year ended 31 December 2016

	2016	2015
	£	£
Administrative expenses		
Administrative staff salaries	13,959	13,514
Light and heat	4,640	3,096
Insurance	1,386	1,331
Postage and telephone	205	200
Repairs and maintenance	20	15
Printing and stationery	518	277
Laundry and cleaning	745	624
Advertising and publicity	1,107	783
Auditors remuneration	3,750	1,500
Depreciation	1,739	1,753
	<u>28,069</u>	<u>23,093</u>