

**Strategic Report,
Report of the Directors and
Financial Statements
for the Year Ended 31 December 2017
for
Midland Railway Enterprises PLC**

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Midland Railway Enterprises PLC

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Midland Railway Enterprises PLC

**Company Information
for the Year Ended 31 December 2017**

DIRECTORS:

Dr C P Deeth
P R Binks
A C Gibson

SECRETARY:

Dr C P Deeth

REGISTERED OFFICE:

Butterley Station
Ripley
Derbyshire
DE5 3QZ

REGISTERED NUMBER:

02279310 (England and Wales)

AUDITORS:

Mabe Allen LLP
Chartered Accountants
Statutory Auditors
50 Osmaston Road
Derby
DE1 2HU

Midland Railway Enterprises PLC

Strategic Report for the Year Ended 31 December 2017

The directors present their strategic report for the year ended 31 December 2017.

MAIN OBJECTIVES

The company is operated in support of the Midland Railway Trust Limited and holds to the objectives of that company in that it supports the Mission:

"Our mission is to enable people to explore the history of technological and social changes brought about by the Midland Railway Company and its successors, together with its links with communities and industry, and its relevance to the contemporary and future world, ensuring that our visitors are engaged, informed, entertained and educated by being immersed in railway culture."

To this end it operates retail and catering outlets and undertakes contract engineering work, primarily for other heritage railways.

STRATEGY OF THE COMPANY

The company aims to improve the quality of, and return from, its operations by taking advantage of the investment made by the parent company in the retail and catering facilities and investing in the training of staff to make best advantages of these facilities. It is also directly involved with the parent company's "Securing the Future" project, funded by a grant from the Heritage Lottery Fund under their Transition Fund scheme, to review the whole Governance, Operation and Business Model used by both companies. This work is due for completion in the Autumn of 2018 and will impact on the future operations of the company.

The company will undertake the operation of certain events at the Midland Railway - Butterley that fall outside the Charitable Objects of the parent company, but which can be operated on a profitable basis using the facilities available within the organisations.

Midland Railway Enterprises PLC

Strategic Report for the Year Ended 31 December 2017

BUSINESS MODEL AND RISK

As noted above the business model remains under review as part of the ongoing project work and this work will reflect the assessment of the risk to the business.

Considerable work has been ongoing to consider the best position with regards to the ability to reclaim VAT on certain activities and the details from this review will be reflected in decisions in 2018.

The parent company has submitted, and in 2018 received, a grant from the Rural Development Programme for England, in which a commitment has been made to the employment of four additional equivalent full time staff by the end of the year 2022. It is envisaged that at least one of these staff will be employed by the company in the catering area.

Catering continues to reflect the level of attendance but it has been noted that a considerable number of visitors do bring their own food and this is an increasing trend. The current outgoing review of the retail operation will not only assess the suitability of the facilities in use, but will also review the offer as a whole. There has been a sustained effort to open the second retail outlet, at Swanwick Junction, using volunteer labour, which offers an opportunity to increase the income.

ON BEHALF OF THE BOARD:


.....

A C Gibson - Director

Date: 29/6/18
.....

Midland Railway Enterprises PLC

Report of the Directors for the Year Ended 31 December 2017

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2017.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

Dr C P Deeth
P R Binks
A C Gibson

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 period. 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;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Midland Railway Enterprises PLC

**Report of the Directors
for the Year Ended 31 December 2017**

AUDITORS

The auditors, Mabe Allen LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

.....

A C Gibson - Director

Date: 29/6/18

Report of the Independent Auditors to the Shareholders of Midland Railway Enterprises PLC

Opinion

We have audited the financial statements of Midland Railway Enterprises PLC (the 'company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Matters on which we are required to report under the Articles of Association

The Company's Articles of Association require us to determine to the best of our knowledge and belief that the following provisions have been complied with:

- all the profit's of the Company available for distribution as divided shall be paid to the Midland Railway Trust Limited to be applied towards the promotion and carrying out of the objects of the Trust.
- no employee of the Company shall be a director of the Midland Railway Trust Limited.
- No member of the Council or other governing body or other persons engaged or concerned in the management of the Midland Railway Trust Limited shall enter into or be concerned or interested directly or indirectly in any contract with the Company, other than a contract which, if entered into with the Midland Railway Trust Limited would not have involved any infringement of the Memorandum of Association, or other governing instrument of the Trust.

We can confirm to the best of our knowledge and belief the above provisions have been complied with for the year ended 31 December 2017.

Report of the Independent Auditors to the Shareholders of Midland Railway Enterprises PLC

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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 take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Shareholders of Midland Railway Enterprises PLC

Our responsibilities for the audit of the financial statements

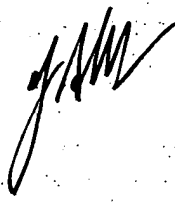
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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 a Report of the Auditors 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.

David Allen (Senior Statutory Auditor)
for and on behalf of Mabe Allen LLP
Chartered Accountants
Statutory Auditors
50 Osmaston Road
Derby
DE1 2HU



Date: 29/8/2018

Midland Railway Enterprises PLC

Statement of Comprehensive Income for the Year Ended 31 December 2017

		2017	2016 as restated
	Notes	£	£
TURNOVER	4	258,618	162,192
Cost of sales		200,330	134,218
GROSS PROFIT		58,288	27,974
Administrative expenses		37,235	28,069
OPERATING PROFIT/(LOSS)	6	21,053	(95)
Amounts written off investments	7	2	-
PROFIT/(LOSS) BEFORE TAXATION		21,051	(95)
Tax on profit/(loss)	8	-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		21,051	(95)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			(95)
Prior year adjustment	9	1,170	
TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT		22,221	

The notes form part of these financial statements

Midland Railway Enterprises PLC (Registered number: 02279310)

**Statement of Financial Position
31 December 2017**

		2017		2016 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	10		50,320		34,620
Investments	11		-		2
			<u>50,320</u>		<u>34,622</u>
CURRENT ASSETS					
Stocks	12	26,790		28,474	
Debtors	13	12,118		5,167	
Cash at bank		180,940		21,742	
		<u>219,848</u>		<u>55,383</u>	
CREDITORS					
Amounts falling due within one year	14	208,154		49,042	
		<u>208,154</u>		<u>49,042</u>	
NET CURRENT ASSETS			<u>11,694</u>		<u>6,341</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>62,014</u>		<u>40,963</u>
CAPITAL AND RESERVES					
Called up share capital	15		123,165		123,165
Retained earnings	16		(61,151)		(82,202)
			<u>62,014</u>		<u>40,963</u>
SHAREHOLDERS' FUNDS			<u>62,014</u>		<u>40,963</u>

The financial statements were approved by the Board of Directors on 29th June 2018 and were signed on its behalf by:


.....
A C Gibson - Director

The notes form part of these financial statements

Midland Railway Enterprises PLC

**Statement of Changes in Equity
for the Year Ended 31 December 2017**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2016	123,165	(82,107)	41,058
Changes in equity			
Total comprehensive income	-	(1,265)	(1,265)
Balance at 31 December 2016	123,165	(83,372)	39,793
Prior year adjustment	-	1,170	1,170
As restated	123,165	(82,202)	40,963
Changes in equity			
Total comprehensive income	-	21,051	21,051
Balance at 31 December 2017	123,165	(61,151)	62,014

The notes form part of these financial statements

Midland Railway Enterprises PLC

Statement of Cash Flows for the Year Ended 31 December 2017

		2017	2016 as restated
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	29,690	6,825
Net cash from operating activities		<u>29,690</u>	<u>6,825</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(23,252)</u>	<u>-</u>
Net cash from investing activities		<u>(23,252)</u>	<u>-</u>
Cash flows from financing activities			
New loans in year from group undertaking		<u>152,760</u>	<u>15,642</u>
Net cash from financing activities		<u>152,760</u>	<u>15,642</u>
Increase in cash and cash equivalents		<u>159,198</u>	<u>22,467</u>
Cash and cash equivalents at beginning of year	2	21,742	(725)
Cash and cash equivalents at end of year	2	<u><u>180,940</u></u>	<u><u>21,742</u></u>

The notes form part of these financial statements

Midland Railway Enterprises PLC

Notes to the Statement of Cash Flows for the Year Ended 31 December 2017

1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2017	2016 as restated
	£	£
Profit/(loss) before taxation	21,051	(95)
Depreciation charges	7,552	1,739
Accrued expenses	500	2,250
Impairment of investments	2	-
	29,105	3,894
Decrease in stocks	1,684	83
(Increase)/decrease in trade and other debtors	(6,951)	1,970
Increase in trade and other creditors	5,852	878
Cash generated from operations	29,690	6,825

2. CASH AND CASH EQUIVALENTS

Midland Railway Enterprises PLC is a subsidiary of Midland Railway Trust Limited. Monies have been deposited in the bank which are held on trust for Midland Railway Trust Limited. These monies are ring fenced and do not relate to funds of Midland Railway Enterprises PLC. The total funds which are due to Midland Railway Trust Limited at the year end is £192,783. A shortfall in funds totalling £11,843 relates to Midland Railway Enterprises PLC.

Midland Railway Enterprises PLC

Notes to the Financial Statements for the Year Ended 31 December 2017

1. STATUTORY INFORMATION

Midland Railway Enterprises PLC is a public company limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Critical accounting 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 for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from these estimates. These estimates and judgments 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.

The following judgements have had the most significant effect on amounts recognised in the financial statements:

Notes to the Statement of Cash Flows

Note 2 - Cash and Cash Equivalents

Midland Railway Enterprises PLC is a subsidiary of Midland Railway Trust Limited. Monies are held by Midland Railway Enterprises PLC on trust for Midland Railway Trust Limited. Although no formal agreement is in place, these monies are treated by the Company as ring fenced funds and are not considered to be funds of Midland Railway Enterprises PLC. At the year end the total funds due to Midland Railway Trust Limited were £189,887.

Note 9 - Tangible Fixed Assets

The freehold land and long leasehold property is held on trust by Midland Railway Trust Limited on behalf of Midland Railway Enterprises PLC. The classification of freehold land and long leasehold assets requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the situation requires an asset to be recognised in the balance sheet.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Midland Railway Enterprises PLC

Notes to the Financial Statements - continued for the Year Ended 31 December 2017

3. ACCOUNTING POLICIES - continued

Tangible fixed 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.

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:

Leasehold property	- 2% straight line
Plant and machinery	- 25% reducing balance

Freehold land is not depreciated.

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.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Midland Railway Enterprises PLC

Notes to the Financial Statements - continued for the Year Ended 31 December 2017

3. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Investments

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

Provisions

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that the outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in administrative expenses.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss.

Midland Railway Enterprises PLC

Notes to the Financial Statements - continued for the Year Ended 31 December 2017

4. TURNOVER

The turnover and profit (2016 - loss) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2017	2016 as restated
	£	£
Sale of goods and services	258,618	162,192
	<u>258,618</u>	<u>162,192</u>

5. EMPLOYEES AND DIRECTORS

	2017	2016 as restated
	£	£
Wages and salaries	60,035	57,601
Social security costs	4,247	3,327
Other pension costs	899	-
	<u>65,181</u>	<u>60,928</u>

The average number of employees during the year was NIL (2016 - NIL).

Staff costs are recharged from another group company, Midland Railway Trust Limited to Midland Railway Enterprises PLC.

	2017	2016 as restated
	£	£
Directors' remuneration	-	-
	<u>-</u>	<u>-</u>

6. OPERATING PROFIT/(LOSS)

The operating profit (2016 - operating loss) is stated after charging:

	2017	2016 as restated
	£	£
Hire of plant and machinery	35	-
Depreciation - owned assets	7,552	1,739
Auditors' remuneration	3,750	3,750
	<u>11,337</u>	<u>5,489</u>

Midland Railway Enterprises PLC

Notes to the Financial Statements - continued for the Year Ended 31 December 2017

7. AMOUNTS WRITTEN OFF INVESTMENTS

	2017	2016 as restated
	£	£
Impairment losses	<u>2</u>	<u>-</u>

8. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 December 2017 nor for the year ended 31 December 2016.

9. PRIOR YEAR ADJUSTMENT

The prior year adjustment relates to an amendment for £1,170 to the recorded share capital of the company following a review of the share register by the directors and a reconciliation to the information held on record at Companies House. The correction to the share capital relates to the removal of the share issue for 1,220 ordinary £1 shares recorded in the financial statements for the year ended 31 December 2015 and a correction for shares which should appear on the share register consisting of an additional 50 ordinary £1 shares.

10. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
COST					
At 1 January 2017	-	78,174	10,526	-	88,700
Additions	-	-	-	23,252	23,252
Reclassification/transfer	<u>8,864</u>	<u>(8,864)</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2017	<u>8,864</u>	<u>69,310</u>	<u>10,526</u>	<u>23,252</u>	<u>111,952</u>
DEPRECIATION					
At 1 January 2017	-	43,570	10,510	-	54,080
Charge for year	-	<u>1,386</u>	<u>4</u>	<u>6,162</u>	<u>7,552</u>
At 31 December 2017	<u>-</u>	<u>44,956</u>	<u>10,514</u>	<u>6,162</u>	<u>61,632</u>
NET BOOK VALUE					
At 31 December 2017	<u>8,864</u>	<u>24,354</u>	<u>12</u>	<u>17,090</u>	<u>50,320</u>
At 31 December 2016	<u>-</u>	<u>34,604</u>	<u>16</u>	<u>-</u>	<u>34,620</u>

Included in cost of land and buildings is freehold land of £8,864 (2016 - £8,864) which is not depreciated.

The freehold land and long leasehold property is held on trust by Midland Railway Trust Limited on behalf of Midland Railway Enterprises PLC. Midland Railway Enterprises PLC is a subsidiary of Midland Railway Trust Limited.

Midland Railway Enterprises PLC

Notes to the Financial Statements - continued for the Year Ended 31 December 2017

11. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 January 2017	2
Impairments	(2)
	<u> </u>
At 31 December 2017	-
	<u> </u>
NET BOOK VALUE	
At 31 December 2017	-
	<u> </u>
At 31 December 2016	2
	<u> </u>

12. STOCKS

	2017	2016 as restated
	£	£
Stocks	26,790	28,474
	<u> </u>	<u> </u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016 as restated
	£	£
Trade debtors	12,118	5,167
	<u> </u>	<u> </u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016 as restated
	£	£
Trade creditors	11,621	5,769
Amounts owed to group undertakings	192,783	40,023
Accruals and deferred income	3,750	3,250
	<u> </u>	<u> </u>
	208,154	49,042
	<u> </u>	<u> </u>

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2017	2016 as restated
Number:	Class:		£	£
123,165	Ordinary	1	123,165	123,165
			<u> </u>	<u> </u>

Midland Railway Enterprises PLC

Notes to the Financial Statements - continued for the Year Ended 31 December 2017

15. CALLED UP SHARE CAPITAL - continued

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

	Retained earnings £
At 1 January 2017	(83,372)
Prior year adjustment	<u>1,170</u>
	(82,202)
Profit for the year	<u>21,051</u>
At 31 December 2017	<u><u>(61,151)</u></u>

17. ULTIMATE PARENT COMPANY

Midland Railway Trust Limited is regarded by the directors as being the company's ultimate parent company.

18. RELATED PARTY DISCLOSURES

During the year the company operated a loan account with a related party, Midland Railway Trust Limited. At 31 December 2017 the company owed Midland Railway Trust Limited £192,783 (2016: £40,023). At the year end, in accordance with the Company's Articles of Association, all available distributable profits, amounting to £25,117 (2016: £95 loss), are to be donated to Midland Railway Trust Limited.

19. ULTIMATE 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.

Midland Railway Enterprises PLC

Trading and Profit and Loss Account for the Year Ended 31 December 2017

	2017		2016 as restated	
	£	£	£	£
Sales		258,618		162,192
Cost of sales				
Opening stock	28,474		28,557	
Catering purchases	22,295		23,636	
Shop purchases	27,931		35,771	
Engineering purchases	11,593		17,340	
Wages and salaries	41,285		43,642	
Social security costs	4,247		3,327	
Pensions	899		-	
Event expenditure	90,396		10,419	
	<u>227,120</u>		<u>162,692</u>	
Closing stock	(26,790)		(28,474)	
		<u>200,330</u>		<u>134,218</u>
GROSS PROFIT		58,288		27,974
Expenditure				
Insurance	682		1,386	
Light and heat	4,416		4,640	
Administration staff salaries	18,750		13,959	
Hire of plant and machinery	35		-	
Printing and stationery	27		723	
Advertising and publicity	611		1,107	
Repairs and renewals	254		20	
Laundry and cleaning	1,030		745	
Auditors' remuneration	3,750		3,750	
	<u>29,555</u>		<u>26,330</u>	
		28,733		1,644
Finance costs				
Bank charges		128		-
		<u>28,605</u>		<u>1,644</u>
Depreciation				
Long leasehold	1,386		1,733	
Plant and machinery	4		6	
Fixtures and fittings	6,162		-	
	<u>7,552</u>		<u>1,739</u>	
Carried forward		21,053		(95)

This page does not form part of the statutory financial statements

Midland Railway Enterprises PLC

**Trading and Profit and Loss Account
for the Year Ended 31 December 2017**

	2017		2016 as restated	
	£	£	£	£
Brought forward		21,053		(95)
Amounts written off investments				
Impairment losses		2		-
NET PROFIT/(LOSS)		<u>21,051</u>		<u>(95)</u>

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