

Registered number: 07655952

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**INSTITUTION OF RAILWAY OPERATORS LIMITED**  
(A Company Limited by Guarantee)

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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**INSTITUTION OF RAILWAY OPERATORS LIMITED**  
(A Company Limited by Guarantee)

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**COMPANY INFORMATION**

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**DIRECTORS**

J Doyle  
D Franks  
N Henry  
M Hopwood  
J Kaye  
T Shoveller  
S Cocliff  
R Haket  
A Hynes  
D Simpson  
S Langridge (appointed 11 December 2014)

**REGISTERED NUMBER**

07655952

**REGISTERED OFFICE**

Eighth Floor  
6 New Street Square  
London  
EC4A 3AQ

**INDEPENDENT AUDITOR**

Rawlinson and Hunter Audit LLP  
Statutory Auditor & Chartered Accountants  
Eighth Floor  
6 New Street Square  
New Fetter Lane  
London  
EC4A 3AQ

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**INSTITUTION OF RAILWAY OPERATORS LIMITED**  
**(A Company Limited by Guarantee)**

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**INSTITUTION OF RAILWAY OPERATORS LIMITED**  
**(A Company Limited by Guarantee)**

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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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The directors present their report and the financial statements of the Institution of Railway Operators Limited ("the company") for the year ended 30 September 2015.

**DIRECTORS' RESPONSIBILITIES STATEMENT**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

**PRINCIPAL ACTIVITIES**

The objectives of the company are to advance the safe and reliable operation of railways and to promote the training of personnel engaged in their operation. The company aims to achieve these objectives by improving the technical and general skill knowledge and competence of railway staff. This will involve inter alia, the provision of conferences and training courses, the development of a range of nationally recognised qualifications and the improvement of safety standards by the conducting of research, the instituting of tests and examinations and the promotion of high standards of conduct and good working practices.

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**INSTITUTION OF RAILWAY OPERATORS LIMITED**  
**(A Company Limited by Guarantee)**

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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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**DIRECTORS**

The directors who served during the year were:

J Doyle  
D Franks  
N Henry  
M Hopwood  
J Kaye  
T Shoveller  
S Cocliff  
R Haket  
A Hynes  
D Simpson  
S Langridge (appointed 11 December 2014)

**DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**AUDITOR**

Under section 487(2) of the Companies Act 2006, Rawlinson and Hunter Audit LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

**A Hynes**  
Director

Date:

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**INSTITUTION OF RAILWAY OPERATORS LIMITED**  
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSTITUTION OF RAILWAY OPERATORS LIMITED**

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We have audited the financial statements of Institution of Railway Operators Limited ("the company") for the year ended 30 September 2015, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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 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 Directors' Report and Financial Statements 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 30 September 2015 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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**INSTITUTION OF RAILWAY OPERATORS LIMITED**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSTITUTION OF RAILWAY OPERATORS LIMITED**

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**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 and to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Kulwam Nagra (Senior Statutory Auditor)

for and on behalf of  
**Rawlinson and Hunter Audit LLP**

Statutory Auditor  
Chartered Accountants

Eighth Floor  
6 New Street Square  
New Fetter Lane  
London  
EC4A 3AQ  
Date:

**INSTITUTION OF RAILWAY OPERATORS LIMITED**  
(A Company Limited by Guarantee)

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

	Note	2015 £	2014 £
<b>TURNOVER</b>	1,2	733,988	709,305
Cost of sales		(329,411)	(367,812)
<b>GROSS PROFIT</b>		404,577	341,493
Administrative expenses		(396,647)	(378,715)
<b>OPERATING PROFIT/(LOSS)</b>	3	7,930	(37,222)
Interest receivable and similar income		461	449
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		8,391	(36,773)
Tax on profit/(loss) on ordinary activities	4	-	-
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	11	£ 8,391	£ (36,773)

The notes on pages 7 to 11 form part of these financial statements.



**INSTITUTION OF RAILWAY OPERATORS LIMITED**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 07655952**

**BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	5		3,623		7,700
Investments	6		106,458		106,458
			<u>110,081</u>		<u>114,158</u>
<b>CURRENT ASSETS</b>					
Debtors	7	136,067		167,891	
Cash at bank and in hand		592,718		457,844	
		<u>728,785</u>		<u>625,735</u>	
<b>CREDITORS: amounts falling due within one year</b>	8	<u>(764,140)</u>		<u>(708,645)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(35,355)</u>		<u>(82,910)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>74,726</u>		<u>31,248</u>
<b>CREDITORS: amounts falling due after more than one year</b>	9		<u>(94,329)</u>		<u>(59,242)</u>
<b>NET LIABILITIES</b>		<u>£ (19,603)</u>		<u>£ (27,994)</u>	
<b>CAPITAL AND RESERVES</b>					
Profit and loss account	11		<u>(19,603)</u>		<u>(27,994)</u>
		<u>£ (19,603)</u>		<u>£ (27,994)</u>	

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

A Hynes  
Director

Date:

The notes on pages 7 to 11 form part of these financial statements.

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**INSTITUTION OF RAILWAY OPERATORS LIMITED**  
(A Company Limited by Guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

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

**1.2 Going concern**

The financial statements have been prepared on a going concern basis as, although the company had net current liabilities at the balance sheet date of £35,355 and net liabilities of £19,603, it had cash at bank of £592,718.

The directors have projected that the company will increase its profitability in the next two financial years. On this basis, and their knowledge of the available cash resources, they believe that the company will have sufficient financial resources to continue in operation for a period of at least twelve months from the date of approval of these financial statements.

Accordingly, the directors consider it appropriate to prepare the financial statements for the company on a going concern basis.

**1.3 Cash flow**

The financial statements do not include a Cash Flow Statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the FRSSE.

**1.4 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts. For details of the basis of income recognition refer to 1.8 below.

**1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer equipment - 25% straight line

**1.6 Investments**

Investments are stated at cost less provision for impairment, if any.

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**INSTITUTION OF RAILWAY OPERATORS LIMITED**  
(A Company Limited by Guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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**1. ACCOUNTING POLICIES (continued)**

**1.7 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

**1.8 Income**

Corporate membership is a membership which spans twelve months. The membership income is recognised over the course of the twelve month period.

Subscriptions are also for twelve months. The subscription income is also recognised over the course of the twelve month period.

Educational courses are in three main categories; degree, diploma and certificate. The courses are in line with the academic year, with the degree and diploma courses running for two academic years and the certificate courses running for one academic year.

The monies received in relation to educational courses are initially deferred and then credited to the Profit and Loss Account over 24 months and 12 months for the degree / diploma courses and certificate courses respectively.

The company holds an annual lunch for its members for a fee. This fee is included in turnover in the period the lunch takes place.

**1.9 Deferred Income**

Corporate membership, subscription and educational course income is recognised on a straight line basis over the period of the membership / subscription or the duration of the course with the balance, if any, included in deferred income.

**2. TURNOVER**

5.4% of the company's turnover (2014 - 5.6%) is attributable to geographical markets outside the United Kingdom.

**INSTITUTION OF RAILWAY OPERATORS LIMITED**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

**3. OPERATING PROFIT/(LOSS)**

The operating profit/(loss) is stated after charging:

	<b>2015</b>	<b>2014</b>
	£	£
Depreciation of tangible fixed assets: - owned by the company	4,077	4,079
Auditor's remuneration	6,500	6,500
	<u>          </u>	<u>          </u>

During the year, no director received any emoluments (2014 - £NIL).

**4. TAXATION**

	<b>2015</b>	<b>2014</b>
	£	£
UK corporation tax charge on profit/(loss) for the year	-	-
	<u>          </u>	<u>          </u>

**5. TANGIBLE FIXED ASSETS**

	<b>Computer equipment £</b>
<b>Cost</b>	
At 1 October 2014 and 30 September 2015	16,318
<b>Depreciation</b>	
At 1 October 2014	8,618
Charge for the year	4,077
At 30 September 2015	<u>12,695</u>
<b>Net book value</b>	
At 30 September 2015	<u>£ 3,623</u>
At 30 September 2014	<u>£ 7,700</u>

**INSTITUTION OF RAILWAY OPERATORS LIMITED**  
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

**6. FIXED ASSET INVESTMENTS**

	<b>Unlisted Investments £</b>
<b>Cost</b>	
At 1 October 2014 and 30 September 2015	<b>£ 106,458</b>

The market value of the unlisted investments at 30 September 2015 was £124,996.

**7. DEBTORS**

	2015 £	2014 £
Trade debtors	128,054	164,191
Other debtors	8,013	3,700
	<b>£ 136,067</b>	<b>£ 167,891</b>

**8. CREDITORS:**  
**Amounts falling due within one year**

	2015 £	2014 £
Trade creditors	15,683	11,562
Amounts owed to related undertakings	246,365	246,365
Other taxation and social security	31,635	26,031
Accruals and deferred income	470,457	424,687
	<b>£ 764,140</b>	<b>£ 708,645</b>

Amounts owed to related undertakings consists of £246,365 (2014 - £246,365) due to Former IRO, a company with a director and member in common with the company. This amount is unsecured, interest free and repayable on demand, however the directors do not expect that a demand will be made for repayment within the next 12 months.

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**INSTITUTION OF RAILWAY OPERATORS LIMITED**  
(A Company Limited by Guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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**9. CREDITORS:**  
Amounts falling due after more than one year

	2015 £		2014 £
Accruals and deferred income	£ 94,329	£	59,242

Deferred income due after more than one year of £94,329 (2014 - £59,242) is in relation to fees charged in advance for courses commencing after the balance sheet date and spanning a two year period. As the fees are charged and payable in advance the directors consider there is no significant risk associated with these amounts.

**10. COMPANY STATUS**

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of its liquidation.

**11. RESERVES**

	Profit and loss account £
At 1 October 2014	(27,994)
Profit for the financial year	8,391
At 30 September 2015	<u>£ (19,603)</u>

**12. CONTROLLING PARTY**

The directors consider that the company does not have a single controlling party.

**INSTITUTION OF RAILWAY OPERATORS LIMITED**  
**(A Company Limited by Guarantee)**

**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

	Page	2015 £	2014 £
<b>TURNOVER</b>	13	733,988	709,305
Cost of sales	13	(329,411)	(367,812)
<b>GROSS PROFIT</b>		<u>404,577</u>	<u>341,493</u>
<b>LESS: OVERHEADS</b>			
Administration expenses	14	(396,647)	(378,715)
<b>OPERATING PROFIT/(LOSS)</b>		<u>7,930</u>	<u>(37,222)</u>
Interest receivable	14	461	449
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<u>£ 8,391</u>	<u>£ (36,773)</u>

**INSTITUTION OF RAILWAY OPERATORS LIMITED**  
(A Company Limited by Guarantee)

**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

	2015 £	2014 £
<b>TURNOVER</b>		
Sales - Corporate memberships	151,463	137,170
Sales - Memberships and subscriptions	29,111	29,802
Sales - Courses	485,208	486,570
Sales - International courses	40,000	40,000
Sales - Lunches	10,048	4,970
Sales - Sundry	7,708	10,793
Grant Income	10,450	-
	<u>£ 733,988</u>	<u>£ 709,305</u>
	2015 £	2014 £
<b>COST OF SALES</b>		
Cost of memberships and subscriptions - area funding	35,549	29,549
Cost of memberships and subscriptions - ongoing development and awareness	55,430	74,794
Cost of academic programme	220,923	231,074
Cost of professional development courses	6,611	26,866
Cost of lunch	10,898	5,529
	<u>£ 329,411</u>	<u>£ 367,812</u>



**INSTITUTION OF RAILWAY OPERATORS LIMITED**  
(A Company Limited by Guarantee)

**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

	2015 £	2014 £
<b>ADMINISTRATION EXPENSES</b>		
Staff salaries	216,476	219,939
Staff national insurance	18,635	21,439
Staff training	5,869	6,783
Hotels, travel and subsistence	20,562	20,694
Consultancy	14,500	-
Printing and stationery	5,195	5,575
Postage	1,039	5,336
Telephone and fax	2,610	2,535
Software costs	925	-
General office expenses	2,786	2,885
Legal and professional	10,995	9
Auditor's remuneration	6,500	6,500
Auditor's remuneration - non-audit	4,460	4,445
Equipment hire	1,704	1,285
Bank charges	1,794	2,053
Rent	9,316	10,370
Insurances	5,675	5,969
Repairs and maintenance	318	180
Depreciation - computer equipment	4,077	4,079
Administration and clerical support	28,086	17,351
Storage costs	472	340
Discretionary development allowance	33,654	40,948
	<u>£ 396,647</u>	<u>£ 378,715</u>
	2015 £	2014 £
<b>INTEREST RECEIVABLE</b>		
Bank interest receivable	<u>£ 461</u>	<u>£ 449</u>