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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 2016**

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

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	J Doyle (resigned 30 March 2016) D Franks N Henry M Hopwood J Kaye (resigned 30 March 2016) T Shoveller S Cocliff R Haket A Hynes D Simpson S Langridge
<b>REGISTERED NUMBER</b>	07655952
<b>REGISTERED OFFICE</b>	Eighth Floor 6 New Street Square London EC4A 3AQ
<b>INDEPENDENT AUDITOR</b>	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 2016**

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The directors present their report and the audited financial statements of the Institution of Railway Operators Limited ("the company") for the year ended 30 September 2016.

**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 2016**

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**DIRECTORS**

The directors who served during the year were:

J Doyle (resigned 30 March 2016)  
D Franks  
N Henry  
M Hopwood  
J Kaye (resigned 30 March 2016)  
T Shoveller  
S Cocliff  
R Haket  
A Hynes  
D Simpson  
S Langridge

**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.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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**  
**(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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We have audited the financial statements of Institution of Railway Operators Limited ("the company") for the year ended 30 September 2016, 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 January 2015) (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 2016 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.

Kulwarn 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:

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

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**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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	Note	2016 £	2015 £
<b>TURNOVER</b>	1,2	<b>761,970</b>	733,988
Cost of sales		<b>(360,435)</b>	(329,411)
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		<b>401,535</b>	404,577
Administrative expenses		<b>(315,023)</b>	(396,647)
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>	3	<b>86,512</b>	7,930
Interest receivable and similar income		<b>589</b>	461
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>87,101</b>	8,391
Tax on profit on ordinary activities	4	<b>(13,651)</b>	-
		<hr/>	<hr/>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	11	<b>£ 73,450</b>	£ 8,391
		<hr/> <hr/>	<hr/> <hr/>

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 2016**

	Note	£	2016 £	£	2015 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	5		1,465		3,623
Investments	6		106,458		106,458
			<u>107,923</u>		<u>110,081</u>
<b>CURRENT ASSETS</b>					
Debtors	7	146,348		136,067	
Cash at bank and in hand		663,202		592,718	
		<u>809,550</u>		<u>728,785</u>	
<b>CREDITORS:</b> amounts falling due within one year	8		<u>(772,996)</u>	<u>(764,140)</u>	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>36,554</u>		<u>(35,355)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>144,477</u>		<u>74,726</u>
<b>CREDITORS:</b> amounts falling due after more than one year	9		<u>(90,630)</u>		<u>(94,329)</u>
<b>NET ASSETS/(LIABILITIES)</b>		£	<u>53,847</u>	£	<u>(19,603)</u>
<b>CAPITAL AND RESERVES</b>					
Profit and loss account	11		<u>53,847</u>		<u>(19,603)</u>
	12	£	<u>53,847</u>	£	<u>(19,603)</u>

The financial statements have been prepared in accordance with the special 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 January 2015).

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 2016**

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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 January 2015) ("FRSSE").

**1.2 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.

**1.3 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 1.7 below.

**1.4 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
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**1.5 Investments**

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

**1.6 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.

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**INSTITUTION OF RAILWAY OPERATORS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.7 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.

**1.8 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**

5.2% of the company's turnover (2015 - 5.4%) is attributable to geographical markets outside the United Kingdom.

**3. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the company	<b>2,158</b>	<b>4,077</b>
Auditor's remuneration	<b>6,500</b>	<b>6,500</b>
	<b>=====</b>	<b>=====</b>

During the year, no director received any emoluments (2015 - £NIL).

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

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

**4. TAXATION**

	2016 £	2015 £
<b>Analysis of tax charge in the year</b>		
UK corporation tax charge on profit for the year	13,562	-
Adjustments in respect of prior periods	89	-
	<b>£ 13,651</b>	<b>£ -</b>
	<b>£ 13,651</b>	<b>£ -</b>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	£ 87,101	£ 8,391
	<b>87,101</b>	<b>8,391</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	17,420	1,678
<b>Effects of:</b>		
Expenses not deductible for tax purposes	180	230
Adjustments to tax charge in respect of prior periods	89	-
Tax adjustments, reliefs and transfers - net	(4,038)	(1,908)
	<b>£ 13,651</b>	<b>£ -</b>
	<b>£ 13,651</b>	<b>£ -</b>

**5. TANGIBLE FIXED ASSETS**

	Computer equipment £
<b>Cost</b>	
At 1 October 2015 and 30 September 2016	16,318
<b>Depreciation</b>	
At 1 October 2015	12,695
Charge for the year	2,158
	<b>14,853</b>
At 30 September 2016	<b>14,853</b>
<b>Net book value</b>	
At 30 September 2016	£ 1,465
	<b>£ 1,465</b>
At 30 September 2015	£ 3,623
	<b>£ 3,623</b>
	<b>£ 3,623</b>

**INSTITUTION OF RAILWAY OPERATORS LIMITED**  
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**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 2015 and 30 September 2016	<b>£ 106,458</b>

The market value of the unlisted investments at 30 September 2016 was £143,011.

**7. DEBTORS**

	<b>2016 £</b>	<b>2015 £</b>
Trade debtors	132,997	128,054
Other debtors	13,351	8,013
	<b>£ 146,348</b>	<b>£ 136,067</b>

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

	<b>2016 £</b>	<b>2015 £</b>
Trade creditors	28,904	15,683
Amounts owed to related undertakings	246,365	246,365
Corporation tax	13,562	-
Other taxation and social security	27,582	31,635
Accruals and deferred income	456,583	470,457
	<b>£ 772,996</b>	<b>£ 764,140</b>

Amounts owed to related undertakings consists of £246,365 (2015 - £246,365) due to Former IRO. The directors and members of Former IRO are also directors and members of 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.

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

	<b>2016 £</b>	<b>2015 £</b>
Accruals and deferred income	<b>£ 90,630</b>	<b>£ 94,329</b>

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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 2016**

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

Deferred income due after more than one year of £90,630 (2015 - £94,329) 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**

	<b>Profit and loss account £</b>
At 1 October 2015	<b>(19,603)</b>
Profit for the financial year	<b>73,450</b>
	<hr/>
At 30 September 2016	<b>£ 53,847</b>
	<hr/> <hr/>

**12. RECONCILIATION OF MOVEMENT IN MEMBERS' FUNDS**

	<b>2016 £</b>	<b>2015 £</b>
Opening members' deficit	<b>(19,603)</b>	<b>(27,994)</b>
Profit for the financial year	<b>73,450</b>	<b>8,391</b>
	<hr/>	<hr/>
Closing members' funds/(deficit)	<b>£ 53,847</b>	<b>£ (19,603)</b>
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**13. CONTROLLING PARTY**

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

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**INSTITUTION OF RAILWAY OPERATORS LIMITED**  
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**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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	Page	2016 £	2015 £
<b>TURNOVER</b>	13	<b>761,970</b>	733,988
Cost of sales	13	<b>(360,435)</b>	(329,411)
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		<b>401,535</b>	404,577
<b>LESS: OVERHEADS</b>			
Administration expenses	14	<b>(315,023)</b>	(396,647)
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>		<b>86,512</b>	7,930
Interest receivable	14	<b>589</b>	461
		<hr/>	<hr/>
<b>PROFIT FOR THE YEAR</b>		<b>£ 87,101</b>	£ 8,391
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**INSTITUTION OF RAILWAY OPERATORS LIMITED**  
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**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>TURNOVER</b>		
Sales - Corporate memberships	154,237	151,463
Sales - Memberships and subscriptions	35,742	29,111
Sales - Courses	518,904	485,208
Sales - International courses	40,000	40,000
Sales - Lunches	5,231	10,048
Sales - Sundry	7,856	7,708
Grant income	-	10,450
	<b>£ 761,970</b>	<b>£ 733,988</b>
	<b>£ 761,970</b>	<b>£ 733,988</b>
	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>COST OF SALES</b>		
Cost of memberships and subscriptions - area funding	42,301	35,549
Cost of memberships and subscriptions - ongoing development and awareness	40,819	55,430
Cost of academic programme	262,119	220,923
Cost of professional development courses	8,542	6,611
Cost of lunch	6,654	10,898
	<b>£ 360,435</b>	<b>£ 329,411</b>
	<b>£ 360,435</b>	<b>£ 329,411</b>



**INSTITUTION OF RAILWAY OPERATORS LIMITED**  
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**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	<b>2016</b>	<b>2015</b>
	£	£
<b>ADMINISTRATION EXPENSES</b>		
Staff salaries	205,319	216,476
Staff national insurance	18,858	19,635
Staff training	2,339	5,869
Hotels, travel and subsistence	14,441	20,562
Consultancy	3,500	14,500
Printing and stationery	3,610	5,195
Postage	1,007	1,039
Telephone and fax	2,735	2,610
Software costs	1,400	925
General office expenses	3,032	2,786
Legal and professional	6,451	10,995
Auditor's remuneration	6,500	6,500
Auditor's remuneration - non-audit	4,395	4,460
Equipment hire	2,427	1,704
Bank charges	2,069	1,794
Rent	9,998	9,316
Insurances	4,292	5,675
Repairs and maintenance	179	318
Depreciation - computer equipment	2,158	4,077
Administration and clerical support	17,701	28,085
Storage costs	2,612	472
Discretionary development allowance	-	33,654
	<b>£ 315,023</b>	<b>£ 396,647</b>
	<b>£ 315,023</b>	<b>£ 396,647</b>
	<b>2016</b>	<b>2015</b>
	£	£
<b>INTEREST RECEIVABLE</b>		
Bank interest receivable	£ 589	£ 461
	<b>£ 589</b>	<b>£ 461</b>
	<b>£ 589</b>	<b>£ 461</b>