

Registered number 06641019

## **British American Railway Services Limited**

**Directors' report and financial statements**

**For the year ended 31 December 2012**



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COMPANIES HOUSE

## **British American Railway Services Limited**

### **Company Information**

**Directors**

K Busath  
E Ellis  
S Gregory  
C Roper  
G J Hanson

**Company secretary**

K Busath

**Registered number**

06641019

**Registered office**

Stanhope Station  
Stanhope  
Durham  
DL13 2YS

**Independent auditors**

Reeves & Co LLP  
Statutory Auditor & Chartered Accountants  
Third Floor  
24 Chiswell Street  
London  
EC1Y 4YX

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## **British American Railway Services Limited**

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## **British American Railway Services Limited**

### **Directors' report**

**For the year ended 31 December 2012**

The directors present their report and the financial statements for the year ended 31 December 2012

### **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 the group and of the profit or loss of the group 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Principal activities and business review**

Through subsidiaries, the group provides services in the fields of railway track maintenance and locomotive hire and maintenance. In addition, the group operates two short-line railways, Dartmoor Railway CIC in Devon and Weardale Railways CIC in County Durham. Another subsidiary, Devon and Cornwall Railways Ltd (DCR), is a licensed freight operating company, and provides line haul freight services throughout the U.K.

In 2012 efforts focused on two areas: developing DCR, which only acquired its freight operating license at the end of 2010, and staging of "Polar Express" events at both Weardale and Dartmoor railways.

The success of DCR is best demonstrated by growth in turnover from a nominal £21,499 in 2011 to almost £1 million in 2012. This growth has continued into 2013. As the newest player in the U.K. rail freight market, DCR's initial strategy involved aggressive pricing in order to gain a foothold in the market and to establish a market presence. This, combined with various costs associated with start-up and development of support services, combined to generate a pre-tax loss for DCR. With DCR now an established market presence, the need for aggressive pricing has diminished and DCR's pricing policies reflect this change. This, combined with the fact that various start-up expenses are now in the past, lead to the expectation that DCR will become cash positive in 2013.

## **British American Railway Services Limited**

### **Directors' report**

**For the year ended 31 December 2012**

The group's second major initiative in 2012 was "Polar Express" events at both Weardale and Dartmoor railways. These events, operated under license from Warner Bros, are based on the Tom Hanks movie of the same name, and involve taking children (usually in pyjamas, as in the movie) and their parents on a short train ride to the "North Pole" where Santa boards the train and distributes sleigh bells. (BARS ultimate parent undertaking, Iowa Pacific Holdings, is the largest operator of Polar Express events in the United States.) These were the first Polar Express events offered in the United Kingdom. Both events, and particularly the Weardale event, were highly successful, and together attracted over 40,000 passengers. Evidence of this success is that both railways' turnover increased dramatically, Dartmoor Railway's turnover rose from £108,416 in 2011 to £394,822 in 2012 and Weardale Railway's turnover rose from £333,598 in 2011 to £1,314,226 in 2012.

The group plans to repeat both the Weardale and Dartmoor Polar Express events in 2013. With the benefit of 2012's experience and longer lead time for marketing, the group expects that the events will generate additional turnover in 2013 and with improved margins.

As a result of a variety of factors, including start-up expenses associated with both Polar Express events, cash requirements resulting from the rapid growth of DCR, and longer-than-anticipated receivables' collections as various major customers have imposed longer payment terms, working capital was an issue in 2012. The group has addressed this through factoring of some receivables and continued financial support from Iowa Pacific Holdings. As mentioned in note 12, the directors are confident that as current business initiatives progress there will be continuing improvement in working capital.

### **Directors**

The directors who served during the year were

K Busath  
E Ellis  
S Gregory  
C Roper  
G J Hanson

### **Provision of information to auditors**

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 and the group's auditors are 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 information needed by the company and the group's auditors in connection with preparing their report and to establish that the company and the group's auditors are aware of that information.

**British American Railway Services Limited**

**Directors' report**

**For the year ended 31 December 2012**

**Auditors**

Under section 487(2) of the Companies Act 2006, Reeves & Co LLP will be deemed to have been reappointed as auditors 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 on **22<sup>nd</sup> May, 2013** and signed on its behalf

  
**K. Busath**  
Secretary

## **British American Railway Services Limited**

### **Independent auditors' report to the shareholders of British American Railway Services Limited**

We have audited the financial statements of British American Railway Services Limited for the year ended 31 December 2012, set out on pages 6 to 17. 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 Auditors' 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 auditors**

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 group's and the parent 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 to identify material inconsistencies with the audited financial statements. 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 group's and the parent company's affairs as at 31 December 2012 and of the group's loss 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.

## British American Railway Services Limited

### Independent auditors' report to the shareholders of British American Railway Services Limited

#### 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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 take advantage of the small companies' exemption in preparing the Directors' report

#### Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 12 to the financial statements concerning the group's capability to continue as a going concern

The group has incurred a loss after taxation of £1,843,214 during the year ended 31 December 2012, current liabilities exceed current assets by £2,841,333 and the group is showing a total net liabilities position of £5,295,330 as at 31 December 2012. These conditions indicate the existence of a material uncertainty, which may cast significant doubt about the group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group was unable to continue as a going concern

*Reeves & Co LLP*

Stephen Tanner BSc(Econ) FCA (Senior statutory auditor)

for and on behalf of

**Reeves & Co LLP**

Statutory Auditor  
Chartered Accountants

Third Floor  
24 Chiswell Street  
London  
EC1Y 4YX

Date *24<sup>th</sup> May, 2013.*



**British American Railway Services Limited**

**Consolidated profit and loss account  
For the year ended 31 December 2012**

	<b>Note</b>	<b>2012 £</b>	<b>2011 £</b>
<b>Turnover</b>	<b>1</b>	<b>5,136,072</b>	<b>2,745,363</b>
Cost of sales		<u>(4,439,696)</u>	<u>(2,242,940)</u>
<b>Gross profit</b>	<b>2</b>	<b>696,376</b>	<b>502,423</b>
Administrative expenses		(2,018,393)	(1,694,728)
Other operating charges		<u>-</u>	<u>(3,317)</u>
<b>Operating loss</b>	<b>2</b>	<b>(1,322,017)</b>	<b>(1,195,622)</b>
Interest payable and similar charges		<u>(522,140)</u>	<u>(502,121)</u>
<b>Loss on ordinary activities before taxation</b>		<b>(1,844,157)</b>	<b>(1,697,743)</b>
Tax on loss on ordinary activities	<b>4</b>	<u>943</u>	<u>-</u>
<b>Loss on ordinary activities after taxation</b>		<b>(1,843,214)</b>	<b>(1,697,743)</b>
Minority interests		<u>59,733</u>	<u>146,187</u>
<b>Loss for the financial year</b>	<b>12</b>	<b><u>(1,783,481)</u></b>	<b><u>(1,551,556)</u></b>

The notes on pages 10 to 17 form part of these financial statements

**British American Railway Services Limited**  
**Registered number: 06641019**

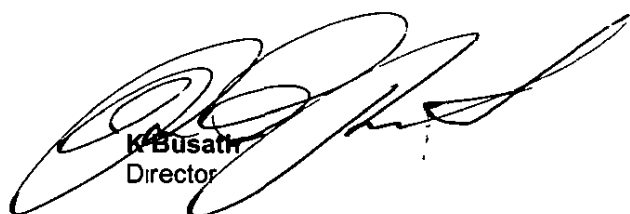
**Consolidated balance sheet**  
**As at 31 December 2012**

	Note	£	2012 £	£	2011 £
<b>Fixed assets</b>					
Intangible assets	5		(369,633)		(401,052)
Tangible assets	6		6,813,379		7,054,324
			<u>6,443,746</u>		<u>6,653,272</u>
<b>Current assets</b>					
Stocks		57,880		61,541	
Debtors	8	1,446,901		900,047	
Cash at bank and in hand		70,272		82,467	
		<u>1,575,053</u>		<u>1,044,055</u>	
<b>Creditors</b> · amounts falling due within one year	9	(4,416,386)		(4,036,115)	
<b>Net current liabilities</b>			<u>(2,841,333)</u>		<u>(2,992,060)</u>
<b>Total assets less current liabilities</b>			<u>3,602,413</u>		<u>3,661,212</u>
<b>Creditors</b> : amounts falling due after more than one year	10		(8,897,743)		(7,113,328)
<b>Net liabilities</b>			<u>(5,295,330)</u>		<u>(3,452,116)</u>
<b>Capital and reserves</b>					
Called up share capital	11		1,000		1,000
Other reserves	12		571,247		571,247
Profit and loss account	12		(6,114,455)		(4,330,974)
<b>Shareholders' deficit</b>			<u>(5,542,208)</u>		<u>(3,758,727)</u>
<b>Minority interests</b>			<u>246,878</u>		<u>306,611</u>
			<u>(5,295,330)</u>		<u>(3,452,116)</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime 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 on

22<sup>nd</sup> May, 2013.



K. Busath  
 Director

The notes on pages 10 to 17 form part of these financial statements

**British American Railway Services Limited**  
Registered number 06641019

**Company balance sheet**  
**As at 31 December 2012**

	Note	£	2012 £	£	2011 £
<b>Fixed assets</b>					
Investments	7		2,652,070		2,652,070
<b>Current assets</b>					
Debtors	8	1,477,120		434,914	
Cash at bank		187		99	
		<u>1,477,307</u>		<u>435,013</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(1,990,072)</u>		<u>(972,343)</u>	
<b>Net current liabilities</b>			<u>(512,765)</u>		<u>(537,330)</u>
<b>Total assets less current liabilities</b>			<u>2,139,305</u>		<u>2,114,740</u>
<b>Creditors amounts falling due after more than one year</b>	10		<u>(2,626,501)</u>		<u>(2,425,624)</u>
<b>Net liabilities</b>			<u><u>(487,196)</u></u>		<u><u>(310,884)</u></u>
<b>Capital and Reserves</b>					
Called up share capital	11		1,000		1,000
Other reserves	12		571,247		571,247
Profit and loss account	12		<u>(1,059,443)</u>		<u>(883,131)</u>
<b>Shareholders' deficit</b>			<u><u>(487,196)</u></u>		<u><u>(310,884)</u></u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime 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 on

22<sup>nd</sup> May 2013

  
K Busath  
Director

The notes on pages 10 to 17 form part of these financial statements

**British American Railway Services Limited**

**Consolidated cash flow statement  
For the year ended 31 December 2012**

	£	2012 £	£	2011 £
<b>Cash generated from operations</b>				
<b>Operating loss</b>	(1,322,017)		(1,195,622)	
Depreciation of tangible fixed assets	451,750		449,826	
Amortisation of intangible fixed assets	(31,419)		(31,419)	
Profit on disposal of tangible fixed assets	(93,000)		(147,293)	
Decrease/(increase) in stocks	3,661		(29,509)	
Increase in trade debtors	(453,937)		(293,343)	
Increase in other debtors	(120,710)		(155,032)	
Increase in trade creditors	543,848		27,777	
Increase in other creditors	1,476,672		5,616,301	
		<b>454,848</b>		<b>4,241,686</b>
<b>Cash from other sources</b>				
Sale of tangible fixed assets	130,000		56,707	
		<b>130,000</b>		<b>56,707</b>
<b>Application of cash</b>				
Interest paid	(86,582)		(455,853)	
Hire purchase interest	(41,723)		(46,268)	
Tax recovered/(paid)	943		1,153	
Repayment of loans	(117,039)		(1,579,458)	
Principal payment under finance lease	(86,674)		(222,498)	
Purchase of tangible fixed assets	(247,805)		(678,081)	
		<b>(578,880)</b>		<b>(2,981,005)</b>
<b>Net increase in cash</b>		<b>5,968</b>		<b>1,317,388</b>
Cash at bank and in hand less overdrafts at beginning of the year		<b>3,001</b>		<b>(1,314,387)</b>
<b>Cash at bank and in hand less overdrafts at end of the year</b>		<b>8,969</b>		<b>3,001</b>
Consisting of				
Cash at bank and in hand		<b>70,272</b>		<b>82,467</b>
Overdrafts included in "bank loans and overdrafts falling due within one year"		<b>(61,303)</b>		<b>(79,466)</b>
		<b>8,969</b>		<b>3,001</b>

The notes on pages 10 to 17 form part of these financial statements

## **British American Railway Services Limited**

### **Notes to the financial statements For the year ended 31 December 2012**

#### **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)

##### **1.2 Going concern**

Notwithstanding that the group has net current liabilities of £2,841,333 and net liabilities of £5,295,330 at the balance sheet date and has made a loss for the year of £1,783,481, the financial statements have been prepared on a going concern basis. The directors believe that adequate funding and investment to ensure the group can meet its financial obligations as they fall due will be available to the group for the foreseeable future from continued financial support from its ultimate parent undertaking, Iowa Pacific Holdings LLC

The directors, having assessed the responses of the directors of Iowa Pacific Holdings LLC to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the group of companies to continue as a going concern

##### **1.3 Basis of consolidation**

The financial statements consolidate the accounts of British American Railway Services Limited and all of its subsidiary undertakings ('subsidiaries')

The company has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own profit and loss account

The loss for the year dealt with in the accounts of the company was £176,312 (2011 Loss of £373,371)

##### **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. Turnover is recognised when earned in accordance with obligations delivered

Income from the hire of rolling stock is credited to the profit and loss account on a straight line basis over the period of the lease

##### **1.5 Intangible fixed assets and amortisation**

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life

Amortisation is provided at the following rates

Negative goodwill	-	over 14 years
Goodwill	-	over 10 years

## **British American Railway Services Limited**

### **Notes to the financial statements For the year ended 31 December 2012**

#### **1 Accounting policies (continued)**

##### **1.6 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% & 4% straight line
Leasehold improvements	-	over the term to expiry of lease
Plant and machinery	-	25% straight line
Vehicles and rolling stock	-	10 - 20% straight line
Furniture, fittings and equipment	-	25% straight line

##### **1.7 Investments**

Investments in subsidiaries are valued at cost less provision for impairment.

##### **1.8 Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### **1.9 Stocks and work in progress**

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

##### **1.10 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.

## British American Railway Services Limited

### Notes to the financial statements For the year ended 31 December 2012

#### 1. Accounting policies (continued)

##### 1.11 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

##### 1.12 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year

#### 2. Operating loss

The operating loss is stated after charging/(crediting)

	2012 £	2011 £
Amortisation - intangible fixed assets	(31,419)	(31,419)
Depreciation of tangible fixed assets		
- owned by the group	422,378	347,387
- held under finance leases	29,372	102,439
Auditors' remuneration	33,100	31,600
Auditors' remuneration - non-audit	18,542	24,057
Operating lease rental income	(1,482,408)	(1,209,317)

Auditors fees for the company were £10,305 (2011 - £7,500)

#### 3 Directors' remuneration

	2012 £	2011 £
Aggregate emoluments	46,350	45,000

# British American Railway Services Limited

## Notes to the financial statements For the year ended 31 December 2012

### 4. Taxation

	2012 £	2011 £
<b>Analysis of tax (credit)/charge in the year</b>		
UK corporation tax charge on loss for the year	-	-
Adjustments in respect of prior periods	(943)	-
	<u>(943)</u>	<u>-</u>
<b>Tax on loss on ordinary activities</b>	<u>(943)</u>	<u>-</u>

### Factors that may affect future tax charges

A deferred tax asset has not been recognised in respect of timing differences relating to trading losses, accelerated capital allowances and short term timing differences as there is insufficient evidence that the asset will be recovered in the foreseeable future

### 5. Intangible fixed assets

Group	Goodwill £	Negative goodwill £	Total £
<b>Cost</b>			
At 1 January 2012 and 31 December 2012	335,987	(910,247)	(574,260)
<b>Amortisation</b>			
At 1 January 2012	42,774	(215,982)	(173,208)
Charge for the year	33,599	(65,018)	(31,419)
At 31 December 2012	76,373	(281,000)	(204,627)
<b>Net book value</b>			
At 31 December 2012	259,614	(629,247)	(369,633)
At 31 December 2011	293,213	(694,265)	(401,052)



**British American Railway Services Limited**

**Notes to the financial statements  
For the year ended 31 December 2012**

**6 Tangible fixed assets**

<b>Group</b>	<b>Land and buildings £</b>	<b>Plant and machinery £</b>	<b>Vehicles and rolling stock £</b>	<b>Furniture, fittings and equipment £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 January 2012	5,294,722	374,348	2,746,701	93,048	8,508,819
Additions	53,426	36,054	51,367	106,958	247,805
Disposals	-	-	(40,000)	-	(40,000)
At 31 December 2012	5,348,148	410,402	2,758,068	200,006	8,716,624
<b>Depreciation</b>					
At 1 January 2012	195,282	275,063	922,932	61,218	1,454,495
Charge for the year	98,967	48,195	289,739	14,849	451,750
On disposals	-	-	(3,000)	-	(3,000)
At 31 December 2012	294,249	323,258	1,209,671	76,067	1,903,245
<b>Net book value</b>					
At 31 December 2012	5,053,899	87,144	1,548,397	123,939	6,813,379
At 31 December 2011	5,099,440	99,285	1,823,769	31,830	7,054,324

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

<b>Group</b>	<b>2012 £</b>	<b>2011 £</b>
Plant and machinery	-	66,931
Vehicles and rolling stock	227,167	245,290
	<b>227,167</b>	<b>312,221</b>

Included in land and buildings is freehold land carried at cost of £1,844,956 (2011 £1,844,956) which is not depreciated

Included within vehicles and rolling stock are assets at cost of £2,790,119 (2011 £2,830,119) with accumulated depreciation of £1,516,172 (2011 £1,237,160) held for use in operating leases

**British American Railway Services Limited**

**Notes to the financial statements  
For the year ended 31 December 2012**

**7. Fixed asset investments**

<b>Company</b>	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 January 2012 and 31 December 2012	<b>2,652,070</b>

Details of the principal subsidiaries can be found under note number 16

**8. Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>2012 £</b>	<b>2011 £</b>	<b>2012 £</b>	<b>2011 £</b>
<b>Due after more than one year</b>				
Amounts owed by group undertakings	-	-	1,339,697	410,023
<b>Due within one year</b>				
Trade debtors	1,090,234	636,297	-	-
Other debtors	356,667	263,750	137,423	24,891
	<b>1,446,901</b>	<b>900,047</b>	<b>1,477,120</b>	<b>434,914</b>

**9. Creditors:  
Amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2012 £</b>	<b>2011 £</b>	<b>2012 £</b>	<b>2011 £</b>
Bank loans and overdrafts	61,303	88,226	1,005	-
Other loans	1,975,853	496,279	1,975,853	496,279
Net obligations under finance leases and hire purchase contracts	19,499	37,282	-	-
Trade creditors	968,537	424,689	13,214	15,008
Social security and other taxes	412,007	231,449	-	-
Other creditors	979,187	2,758,190	-	461,056
	<b>4,416,386</b>	<b>4,036,115</b>	<b>1,990,072</b>	<b>972,343</b>

# British American Railway Services Limited

## Notes to the financial statements For the year ended 31 December 2012

### 10 Creditors Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	2012 £	2011 £	2012 £	2011 £
Bank loans	-	57,997	-	-
Other loans	655,941	1,780,527	355,941	1,480,527
Net obligations under finance leases and hire purchase contracts	3,500	72,391	-	-
Amounts owed to group undertakings	8,238,302	5,202,413	2,270,560	945,097
	<u>8,897,743</u>	<u>7,113,328</u>	<u>2,626,501</u>	<u>2,425,624</u>

Other loans are secured by a fixed and floating charge over all of the assets of the group. E Ellis, a director of the company, has personally guaranteed £2,331,794 (2011 £1,976,806) relating to loan notes issued.

### 11. Share capital

	2012 £	2011 £
<b>Allotted, called up and fully paid</b>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

### 12 Reserves

<b>Group</b>	<b>Other reserves £</b>	<b>Profit and loss account £</b>
At 1 January 2012	571,247	(4,330,974)
Loss for the year		(1,783,481)
At 31 December 2012	<u>571,247</u>	<u>(6,114,455)</u>
<b>Company</b>	<b>Other reserves £</b>	<b>Profit and loss account £</b>
At 1 January 2012	571,247	(883,131)
Loss for the year		(176,312)
At 31 December 2012	<u>571,247</u>	<u>(1,059,443)</u>

## British American Railway Services Limited

### Notes to the financial statements For the year ended 31 December 2012

#### 13 Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £861. Contributions totalling £518 were payable to the fund at the balance sheet date and are included in creditors.

#### 14. Related party transactions

During the year, the group received £3,035,889 from Iowa Pacific Holdings LLC group of companies, the ultimate parent company. At the balance sheet date £8,238,802 (2011: £5,202,413) was owed to these companies, shown within creditors due in more than one year. During the year the group accrued interest of £168,828 on these loans (2011: £28,800).

As at the year end, Weardale Railways CIC had a net debtor balance of £27,792 (2011: £191,920) owed by British American Railway Services Limited, the parent company of Weardale Railways CIC, in respect of monies advanced within the group.

During the year, Rail Management Services Limited undertook construction and maintenance work for Weardale Railways CIC amounting to £151,988 (2011: £573,310).

#### 15 Ultimate parent undertaking and controlling party

The directors consider that the ultimate parent undertaking and controlling party of this company as at the balance sheet date is Iowa Pacific Holdings LLC, a company incorporated in the United States. The largest and smallest group of undertakings for which group accounts have been produced is that headed by Iowa Pacific Holdings LLC.

#### 16. Principal subsidiaries

Company name	Percentage Shareholding	Description
Rail Management Services Limited	100	Maintenance, refurbishment and operation of industrial rail track and the hire of shunting locomotives
Weardale Railways CIC (limited by guarantee)	75	Statutory railway and associated leisure activities
Dartmoor Railway CIC	100	Statutory railway and associated leisure activities
Devon and Cornwall Railways Limited	100	Hold relevant licensing from the Office of Rail Regulation
Hanson Traction Limited	100	Dormant
R T Rail Limited	100	Dormant
RMS Locotec (IOM) Limited	100	Dormant