

Northern Rail Holdings Limited

Annual Report and Financial Statements

5 January 2019

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Contents	Page
Officer and professional advisors	2
Directors' report	3
Statement of directors' responsibilities	5
Independent auditor's report	6
Group Statement of comprehensive income	9
Group balance sheet	10
Company balance sheet	11
Group statement of changes in equity	12
Company statement of changes in equity	13
Notes to the financial statements	14

Officers and professional advisors

Directors

Dominic Booth
Julian Edwards
Angelique Magielse
John Michael Heron
Alan Dingwall
John Whitehurst

Auditors

Ernst & Young LLP
20 Chapel Street
Liverpool
L3 9AG

Bankers

National Westminster Bank
Staines Branch
67 High Street
Staines
Middlesex
TW18 4PU

Solicitors

Stephenson Harwood LLP
1 Finsbury Circus
London
EC2M 7SH

Registered Office

Eversheds House
70 Great Bridgewater Street
Manchester
Lancashire
M1 5ES

Registered Number: 04007719

Directors' report

The directors present their annual report and audited financial statements for the 52 weeks ended 5 January 2019.

Principal activities

Northern Rail Holdings Limited (the "group" or "Northern") is a joint venture company owned by Serco Holdings Limited and Abellio Transport Holdings Limited. Northern Rail Holdings Limited is a holding company which owns 100% of the share capital of Northern Rail Limited, a previously trading subsidiary company.

The principal activity of the group was the operation of passenger railway services in the North of England under a Franchise agreement awarded by the Department for Transport. These activities ceased on 31st March 2016.

Results, business review and future outlook

The group has continued to settle assets and liabilities related to the previous trade during the current financial period and will continue to do so in the next financial period.

Operating loss for the 52 week period to 5 January 2019 was £1.0m (52 weeks ended 6 January 2018: £3.3m profit). The loss after taxation for the period amounted to £0.9m (52 weeks ended 6 January 2018: profit £3.0m)

Results and dividends

The Directors recommended dividends in the year of £2m. (52 weeks ended 6 January 2018: £3.6m).

Principal risks and uncertainties

The group's principal risks and uncertainties were significantly reduced after the transfer of significant operating assets and liabilities to Arriva Rail North Ltd on 31st March 2016. The group remains liable for events up to that date. The group's future cash flows are based upon settling existing debts and liabilities. At the balance sheet date, the group's bank balance is in excess of all of the group's outstanding liabilities.

Directors

The directors who served the company during the period and up to the date of approving these financial statements were as follows:

Dominic Booth
Julian Edwards
Angelique Magielse
John Michael Heron
Alan Dingwall
John Whitehurst (appointed 20 August 2018)

Going Concern

The group operated a rail franchise, which ceased on 31 March 2016. The group does not operate the replacement franchise, which commenced on 1 April 2016. The group therefore ceased to trade as a train operator from 1 April 2016, but the group has responsibility for the subsequent wind down of the franchise, including the settlement of receivables and payables. This may take some time to complete. In accordance with the requirements of IAS 1: Presentation and Disclosure, these financial statements are prepared on a basis other than going concern to reflect the fact that trading has ceased. Nevertheless, assets continue to be carried at their recoverable amount which reflects the expected amounts to be recovered on settlement as appropriate. In addition, assets and liabilities are classified as current or non-current in accordance with the contractual terms of those balances and the anticipated timing of settlement.

Directors' report (continued)

Political contributions

The group made no political donations during the period (52 weeks ended 6 January 2018: nil).

Directors' insurance

During the period the company had in force an indemnity provision in favour of one or more directors of Northern Rail Holdings Limited against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity remains in force as at the date of approving the Directors' report.

Financial instruments

The group's principal financial assets are bank balances, together with trade and other debtors. The amounts presented in the balance sheet are net of provisions for doubtful debts. The group has no significant credit risk, with exposure mainly on rail industry partners.

The group's principal financial liabilities relate to other creditors and accruals.

Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

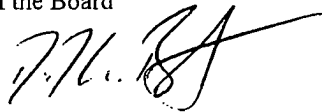
Auditor

In accordance with section 487(2) of the Companies Act 2006, Ernst and Young LLP will continue in office as auditor of the company.

Small company's regime

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. Additionally, the company has applied the exemption in not preparing a Strategic Report.

By order of the Board



Dominic Booth
Director

Eversheds House
70 Great Bridgewater Street
Manchester
Lancashire
M1 5ES

Date: 03/10/19

Statement of directors' responsibilities

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 period. 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 group and the company 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 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; and
- 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 group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the group and company financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report

to the members of Northern Rail Holdings Limited

Opinion

We have audited the financial statements of Northern Rail Holdings Limited for the 52 weeks ended 5 January 2019 which comprise the Group statement of comprehensive income, Group balance sheet, Company balance sheet, Group statement of changes in equity, Company statement of changes in equity and the related notes 1 to 16, 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 FRS 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 group's and company's affairs as at 5 January 2019 and of the group's loss for the period 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 Auditor's responsibilities for the audit of the financial statements section of our report below. 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.

Emphasis of matter – Financial statements prepared other than on a going concern basis

We draw attention to note 1.2 to the financial statements which explains that the company has ceased to trade and therefore the directors do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in note 1.2. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report (continued)

to the members of Northern Rail Holdings Limited

Opinions 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 group and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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 take advantage of the small companies exemptions in preparing the directors' report and 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 5, 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 is 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 group'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.

Auditor's 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 an auditor's report 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 <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent auditor's report (continued)

to the members of Northern Rail Holdings Limited

Use of our report

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

Ernst & Young LLP

Jennifer Hazlehurst (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Liverpool
Date: 3 October 2019

Group statement of comprehensive income

for the period ended 5 January 2019

		52 weeks ended 5 January 2019 £000	52 weeks ended 6 January 2018 £000
	Notes		
Turnover	2	80	384
Operating (expenditure)/income	3	(1,078)	2,932
Operating (loss)/profit		(998)	3,316
Other interest receivable and similar income	6	132	30
(Loss)/profit before taxation		(866)	3,346
Tax charge on (loss)/ profit on ordinary activities	7	(80)	(372)
(Loss)/profit for the financial period and total comprehensive (loss)/income		(946)	2,974

All amounts relate to discontinued operations.

The company and group has no items of other comprehensive (loss)/income in either period other than the results of the period as set out above.

The profit in the period for Northern Rail Holdings Limited, the company, was £2,000,000 (2017: £3,600,000).

Northern Rail Holdings Limited

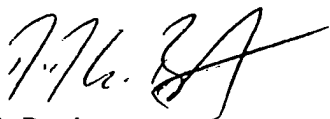
Group balance sheet

at 5 January 2019

		5 January 2019	6 January 2018
	Notes	£000	£000
Current assets			
Debtors	10	343	1,378
Cash at bank and in hand		5,257	6,006
		<u>5,600</u>	<u>7,384</u>
Creditors: amounts falling due within one year	11	<u>(4,232)</u>	<u>(3,070)</u>
Net current assets		<u>1,368</u>	<u>4,314</u>
Total assets less current liabilities		<u>1,368</u>	<u>4,314</u>
Net assets		<u>1,368</u>	<u>4,314</u>
Capital and reserves			
Called up share capital	12	-	-
Profit and loss account		<u>1,368</u>	<u>4,314</u>
Shareholders' funds		<u>1,368</u>	<u>4,314</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the directors and authorised for issue on 03/10/19 and signed on their behalf by:



Dominic Booth

Director

Registered Number: 04007719

Northern Rail Holdings Limited

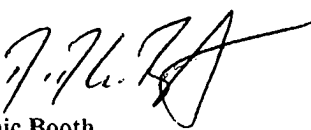
Company balance sheet

at 5 January 2019

		5 January 2019	6 January 2018
Notes	£	£	
Fixed assets			
Investments	9	4	4
Creditors: amounts falling due within one year	11	(2)	(2)
Total assets less current liabilities		<u>2</u>	<u>2</u>
Capital and reserves			
Called up share capital	12	2	2
Profit and loss account		-	-
Shareholders' funds		<u>2</u>	<u>2</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the directors and authorised for issue on 03/10/19, and signed on their behalf by:


Dominic Booth
Director

Registered Number: 04007719

Group statement of changes in equity

	<i>Called up share capital £000</i>	<i>Profit and loss account £000</i>	<i>Total equity £000</i>
Balance at 7 January 2017	-	4,940	4,940
Profit and total comprehensive income for the period	-	2,974	2,974
Dividends (note 8)	-	(3,600)	(3,600)
Balance at 6 January 2018	-	4,314	4,314

	<i>Called up share capital £000</i>	<i>Profit and loss account £000</i>	<i>Total equity £000</i>
Balance at 6 January 2018	-	4,314	4,314
Loss and total comprehensive loss for the period	-	(946)	(946)
Dividends (note 8)	-	(2,000)	(2,000)
Balance at 5 January 2019	-	1,368	1,368

Company statement of changes in equity

	<i>Called up share capital</i>	<i>Profit and loss account</i>	<i>Total equity</i>
	£	£	£
Balance at 7 January 2017	2	-	2
Profit and total comprehensive income for the period	-	3,600	3,600
Dividends (note 8)	-	(3,600)	(3,600)
Balance at 6 January 2018	<u>2</u>	<u>-</u>	<u>2</u>

	<i>Called up share capital</i>	<i>Profit and loss account</i>	<i>Total equity</i>
	£	£	£
Balance at 6 January 2018	2	-	2
Profit and total comprehensive income for the period	-	2,000	2,000
Dividends (note 8)	-	(2,000)	(2,000)
Balance at 5 January 2019	<u>2</u>	<u>-</u>	<u>2</u>

Notes to the financial statements

at 5 January 2019

1. Accounting policies

Northern Rail Holdings Limited (the “group”) is a company limited by shares and incorporated and domiciled in the UK. The company’s registered office is Eversheds House, 70 Great Bridgewater Street, Manchester, Lancashire, M1 5ES.

These group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’ (“FRS 102”) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company or group Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation has not been included; and,
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements

1.1 Basis of Preparation

The financial statements are prepared on the historical cost basis. All amounts in the group financial statements have been rounded to the nearest £1,000. All amounts in the company financial statements have been rounded to the nearest £1.

1.2 Going concern

The group operated a rail franchise, which ceased on 31 March 2016. The group does not operate the replacement franchise, which commenced on 1 April 2016. The group therefore ceased to trade as a train operator from 1 April 2016, but the group has responsibility for the subsequent wind down of the franchise, including the settlement of receivables and payables. This may take some time to complete. In accordance with the requirements of IAS 1: Presentation and Disclosure, these financial statements are prepared on a basis other than going concern to reflect the fact that trading has ceased. Nevertheless, assets continue to be carried at their recoverable amount which reflects the expected amounts to be recovered on settlement as appropriate. In addition, assets and liabilities are classified as current or non-current in accordance with the contractual terms of those balances and the anticipated timing of settlement.

1.3 Basis of consolidation

The consolidated financial statements include the financial statements of the parent company and its subsidiary undertakings made up to 5 January 2019. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the Group statement of comprehensive income from the date that control commences until the date that control ceases. Control is established when the parent company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the group takes into consideration potential voting rights that are currently exercisable.

Under Section 408 of the Companies Act 2006 the parent company is exempt from the requirement to present its own statement of comprehensive income.

In the parent financial statements, investments in subsidiaries are carried at cost less impairment.

Notes to the financial statements

at 5 January 2019

1. Accounting policies (continued)

1.4 *Classification of financial instruments issued by the group*

In accordance with FRS 102.22, financial instruments issued by the group are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the group; and
- (b) where the instrument will or may be settled in the group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the group's own equity instruments or is a derivative that will be settled by the group's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.5 *Basic financial instruments*

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognised in profit or loss. Other investments are measured at cost less impairment in profit or loss.

1.6 *Other financial instruments*

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment; and

1.7 *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances held at banks

Notes to the financial statements

at 5 January 2019

1. Accounting policies (continued)

1.8 Provisions

A provision is recognised in the balance sheet when the group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1.9 Turnover

The only source of revenue in the current and prior year is other income.

Other income arises from the provision of ancillary services to external parties and is recognised when it can be measured reliably and it is probable that economic benefits will flow to the company as the service is delivered.

1.10 Interest receivable

Interest receivable

Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss account as it accrues

1.11 Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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.

Notes to the financial statements

at 5 January 2019

2. Turnover

All turnover originates in the United Kingdom and derives from the provision of railway services.

Turnover is analysed as follows:

	52 weeks ended 5 January 2019	52 weeks ended 6 January 2018
	£000	£000
Other	80	384
	<u>80</u>	<u>384</u>

3. Operating (loss)/profit

Included in (loss)/profit are the following:

Fees payable to the group's auditor for the audit of the group's annual financial statements

52 weeks ended 5 January 2019	52 weeks ended 6 January 2018
£000	£000
40	40
<u>40</u>	<u>40</u>

Analysis of operating expenditure in the period

Other external charges/(credits)

Bad debt provision reversal

1,213	(2,932)
(135)	-
<u>1,078</u>	<u>(2,932)</u>

4. Staff numbers and costs

There were no employees at the period ended 5 January 2019 or 6 January 2018.

5. Directors' remuneration

Dominic Booth and Julian Edwards were remunerated through Abellio Transport Holdings Limited.

Angelique Magielse was remunerated through Abellio Transport Holding BV.

Alan Dingwall, Gary Shilston, Guy Smith and John Michael Herron and John Whitehurst were remunerated through Serco Limited.

Each of the directors have determined that remuneration received for the provision of qualifying services to the company was £nil.

6. Other interest receivable and similar income

	52 weeks ended 5 January 2019	52 weeks ended 6 January 2018
	£000	£000
Interest receivable	132	30
	<u>132</u>	<u>30</u>

Notes to the financial statements

at 5 January 2019

7. Income tax

(a) Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	52 weeks ended 5 January 2019 £000	52 weeks ended 6 January 2018 £000
Current tax:		
UK corporation tax on income for the period	25	643
Adjustment in respect of prior periods	55	(271)
Total current tax expense	80	372
Deferred Tax:		
Total deferred tax	-	-
Total tax expense	80	372

(b) Factors affecting total tax charge

	52 weeks ended 5 January 2019 £000	52 weeks ended 6 January 2018 £000
(Loss)/profit for the period	(946)	2,974
Total tax expense	80	372
(Loss)/profit excluding taxation	(866)	3,346
Tax charge using the standard rate of corporation tax in the UK of 19.23% (52 weeks ended 6 January 2018: 19%)	(165)	643
Effects of:		
Adjustment in respect of prior periods	55	(271)
Tax rate changes	20	-
Deferred tax not recognised	170	-
Total tax expense included in profit and loss	80	372

Reduction in the UK corporation tax rate to 17% (effective from 1 April 2020) was enacted in 2016 and will reduce the company's future current tax charge rate accordingly.

Notes to the financial statements

at 5 January 2019

8. Dividends

	<i>52 weeks ended 5 January 2019 £000</i>	<i>52 weeks ended 6 January 2018 £000</i>
Paid – £0.5m per ordinary share (52 weeks ended 6 January 2018: £0.9m per ordinary share)	<u>2,000</u>	<u>3,600</u>

The directors recommended a final dividend of £2.0m, which was paid on 12 December 2018.

9. Fixed asset investments

Company

	<i>Subsidiary undertakings £</i>
At 6 January 2018 and 5 January 2019	<u>4</u>

Northern Rail Holdings Limited's wholly owned subsidiary undertaking, Northern Rail Limited, a company incorporated in England.

10. Debtors

Group

	<i>5 January 2019 £000</i>	<i>6 January 2018 £000</i>
Trade debtors	341	425
Other debtors	-	784
Corporation tax	-	169
Other taxes and social security	2	-
	<u>343</u>	<u>1,378</u>

Notes to the financial statements

at 5 January 2019

11. Creditors: amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	<i>5 January 2019</i>	<i>6 January 2018</i>	<i>5 January 2019</i>	<i>6 January 2018</i>
	<i>£000</i>	<i>£000</i>	<i>£</i>	<i>£</i>
Trade creditors	1,815	2,163	-	-
Accruals and deferred income	1,725	827	-	-
Amounts due to related parties (note 15)	410	50	-	-
Corporation tax	277	-	-	-
Other creditors	5	30	2	2
	<u>4,232</u>	<u>3,070</u>	<u>2</u>	<u>2</u>

12. Capital and reserves

<i>Share Capital</i>		<i>5 January 2019</i>		<i>6 January 2018</i>	
	<i>No.</i>	<i>£</i>	<i>No.</i>	<i>£</i>	
Allotted, called up and fully paid:					
‘A’ ordinary shares of £1 each	1	1	1	1	
‘B’ ordinary shares of £1 each	1	1	1	1	
Shares classified in shareholders’ funds		<u>2</u>		<u>2</u>	

‘A’ ordinary shares of £1 each and ‘B’ ordinary shares of £1 each carry equal voting rights and rank pari passu in all respects.

13. Financial instruments

The carrying amounts of the financial assets and liabilities included:

	<i>5 January 2019</i>	<i>6 January 2018</i>
	<i>£000</i>	<i>£000</i>
Assets measured at amortised cost – other debtors	5,600	7,215
Liabilities measured at amortised cost – other creditors	(2,229)	(2,243)
	<u>3,371</u>	<u>4,972</u>

14. Contingent liabilities

There were no contingent liabilities at 5 January 2019 or 6 January 2018.

Notes to the financial statements

at 5 January 2019

15. Related party transactions

During the period the group entered into transactions, in the ordinary course of business, with other related parties. The transactions with them are summarised below:

	<i>52 weeks ended 5 January 2019 £000</i>	<i>52 weeks ended 6 January 2018 £000</i>
<i>Serco Group plc</i>		
Group relief repayment	1,387	-
Recharges – payable	(17)	(30)
Interest	-	(156)

All of the above expenses were payable to/receivable from Serco Group plc and its subsidiaries, which are related parties by virtue of Serco Group plc owning 50% of the issued share capital of the company. At 5 January 2019, amounts due to Serco Group plc entities amounted to £339,175 (6 January 2018: amounts due to Serco Group plc amounted to £5,214).

	<i>52 weeks ended 5 January 2019 £000</i>	<i>52 weeks ended 6 January 2018 £000</i>
<i>NV Nederlandse Spoorwegen</i>		
Recharges – receivable	-	-
Recharges – payable	(36)	(33)
Interest	-	(42)

All of the above expenses were payable to/receivable from N.V. Nederlandse Spoorwegen and its subsidiaries, which are related parties by virtue of NV Nederlandse Spoorwegen owning 50% of the issued share capital of the company. At 5 January 2019, amounts due to N.V. Nederlandse Spoorwegen entities amounted to £67,000 (6 January 2018: amounts due to NV Nederlandse Spoorwegen amounted to £32,000).

Notes to the financial statements

at 5 January 2019

15. Related party transactions (continued)

	52 weeks ended 5 January 2019 £000	52 weeks ended 6 January 2018 £000
<i>Merseyrail Electrics 2002 Ltd</i>		
Recharges - payable	(64)	(98)

The above expenses were payable to Merseyrail Electrics 2002 Limited, a related party by virtue of the fact that both Northern Rail Limited and Merseyrail Electrics 2002 Limited are joint ventures of the same ultimate controlling parties. At 5 January 2019, amounts due to Merseyrail Electrics 2002 Limited were £3,338 (6 January 2018: £13,344).

16. Ultimate parent undertaking and controlling party

The ultimate controlling parties of Northern Rail Limited are N.V. Nederlandse Spoorwegen and Serco Group plc. These companies each own 50% of the share capital of Northern Rail Holdings Limited under a joint venture agreement. Copies of the financial statements of N.V. Nederlandse Spoorwegen are available from Laan Van Puntenburg 100, 3511 ER, Utrecht, Netherlands. Copies of the financial statements of Serco Group plc are available from Serco House, 16 Bartley Wood Business Park, Bartley Way, Hook, Hampshire, RG27 9UY.