

Directly Operated Railways Limited
Annual Report and Financial Statements
For the year ended 31 March 2017

Company Number 06950819

Registered office:

Great Minster House
33 Horseferry Road
London
SW1P 4DR

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Directly Operated Railways Limited
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**Directly Operated Railways Limited
Annual Report and Financial Statements**

Company Information

Chief Executive

Peter Wilkinson

Directors

Richard Cantwell
David Bennett

Registered Office

Great Minster House
33 Horseferry Road
London
England
SW1P 4DR

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
England
WC2N 6RH

Directly Operated Railways Limited Annual Report and Financial Statements

Strategic Report For the year ended 31 March 2017

The Directors present their strategic report for the year ended 31 March 2017.

Business overview

Directly Operated Railways Limited (DOR) is in the process of winding down its remaining obligations and moving to dormant company status. During this financial year principal business operations involved servicing residual contracts and monitoring potential contingent liabilities.

Finance review

Operating performance

Turnover for the year ending 31 March 2017 was £0.004 million (2016: £2.4 million). For the year ended 31 March 2017 this reflects the cessation of trading activities for the company in the previous financial year.

The operating expenditure reported in the year was £0.07 million (2016: £1.8 million). For the year to 31 March 2017 expenditure comprised residual obligations and other expenses, such as uniform storage costs as part of an on-going contract and rent.

Loss before taxation was £0.002 million (2016: £0.7 million profit).

Balance sheet

At 31 March 2017 DOR had net assets of £26.8 million (2016: £26.8 million net assets).

Cash flow


There was a net cash outflow of £0.1 million in the year (2016: £0.8 million inflow) leaving a cash balance of £26.7 million at 31 March 2017 (2016: £26.8 million).

Key risks and uncertainties

The systems of control and protection are designed to help manage and control risks to an appropriate level rather than to eliminate them. As the Department for Transport's (DfT) Direct Award programme has completed the Directors consider that the principal risk and uncertainty for DOR is the transition of the company into its revised role.

As the DfT's DA programme is now being managed solely within DfT the Directors consider, at the time of approving the financial statements, that the Company has access to adequate resources to meet its obligations for the foreseeable future.

On behalf of the Board



David Bennett
18th December 2017

Registered Office: Great Minster House, 33 Horseferry Road, London SW1P 4DR

Directly Operated Railways Limited

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Directors' Report

For the year ended 31 March 2017

The Directors present their annual report, business review and the audited consolidated financial statements for the year ended 31 March 2017. The Directors' report should be read in conjunction with the Strategic Report.

History and background

DOR ("the Company") is a private limited company which was incorporated on 2 July 2009 by the Department for Transport to manage Train Operating Companies that are returned to temporary public ownership. The Company is wholly owned by the Department for Transport. There are also a number of inactive subsidiary companies established in case a franchise takeover under Section 30 of the Railways Act 1993 should be required. DOR is the intermediate holding company for all of these.

Results and dividend

The Group's reported financial performance for the year ended 31 March 2017 shows a profit for the financial year of £4,000 (2016: profit of £581,000).

The Directors do not propose a dividend for the year (2016: £Nil).

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements are listed below:

Peter Wilkinson	Director (appointed 31 December 2015)
Richard Cantwell	Director (appointed 31 December 2015)
David Bennett	Director (appointed 31 December 2015)
Trevor Dawson	Company Secretary (resigned 29 th September 2016)

No remuneration was proposed or paid to directors during the financial year.

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Directors' Report For the year ended 31 March 2017

Employees

DOR does not currently have any employees. Residual administration is undertaken by DfT employed staff who are within the remit of DfT employee policies.

Directors and their Interests

The current Directors of the DOR Board are listed on page 5. A Register of Directors' Interests is maintained by the Company Secretary through whom public inspection can be arranged. Doug Sutherland, Robert Mason and Andy Cope were Non-Executive Directors up to their resignations on 31 December 2015. None of the Directors have any interests, such as shares in the company or its (inactive) subsidiaries.

Financial reporting

The Directors have a commitment to best practice in the Company's financial reporting and systems. A statement of Directors' Responsibilities for preparing the financial statements may be found on page 7.

Directors' and Officers' liability insurance

The Company has Directors' and Officers' liability insurance cover in place as permitted by the Companies Act 2006.

Internal controls

The Board is responsible for establishing the Company's goals and objectives, and overseeing the establishment, implementation and review of the Company's risk management system. The Company has in place a risk management policy, the purpose of which is to ensure that risk management is an integral part of day-to-day operations for all staff.

The Board is also responsible for maintaining a sound system of internal control that supports the achievement of these goals and objectives. It sets appropriate policies on internal control and seeks regular assurance that its policies are being complied with and that the system is functioning effectively.

The system of internal control is designed to manage risk rather than eliminate it completely and can only provide reasonable, rather than absolute assurance against material misstatement or loss.

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Directors' Report For the year ended 31 March 2017

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and 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 financial statements comply with the Companies Act 2006.

The directors 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.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the group and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group and company's auditors are aware of that information.

Directly Operated Railways Limited
Annual Report and Financial Statements

Directors' Report
For the year ended 31 March 2017

Independent Auditors

In accordance with Section 487 of the Companies Act 2006, the auditors shall be deemed to be re-appointed as the Company's auditors 28 days after the financial statements are sent to members.

On behalf of the Board



David Bennett
Executive Director
18th December 2017

Registered Office: Great Minster House, 33 Horseferry Road, London SW1 P 4DR

Directly Operated Railways Limited Annual Report and Financial Statements

Independent auditors' report to the members of Directly Operated Railways Limited

Report on the financial statements

Our opinion

In our opinion, Directly Operated Railways Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2017 and of the group's profit and cash flows for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Consolidated and Company Balance sheets as at 31 March 2017;
- the Consolidated Profit and Loss Account and the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Statement of Cash Flows for the year then ended;
- the Consolidated and Company Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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

In addition, in light of the knowledge and understanding of the group, the company and their environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns.

Directly Operated Railways Limited

Annual Report and Financial Statements

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 7, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

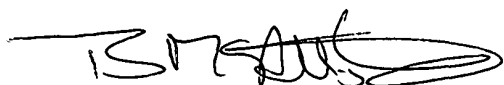
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report 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. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Timothy McAllister (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
18th December 2017

Directly Operated Railways Limited
Annual Report and Financial Statements

Consolidated Profit and Loss Account
For the year ended 31 March 2017

		2017 Total	2016 Total
	Note	£'000	£'000
Turnover	2		
Other operating income		-	2,437
		-	2,437
Cost of Sales		(51)	(1,807)
Operating (loss)/profit	3	(51)	630
Administrative Fees		(18)	(16)
(Loss)/Profit before investment income, interest and taxation		(69)	614
Interest receivable and similar income	5	67	94
Interest payable and similar expenses	5	-	-
Other finance income		-	-
(Loss)/Profit before taxation		(2)	708
Tax on ordinary activities	6	6	(127)
Profit for the financial year		4	581

As permitted by s408 of the Companies Act 2006, the company has not presented its own profit and loss account. The profit of the company for the financial year was £4,000 (2016: £581,000 profit).

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial years stated above and their historical cost equivalents.

The notes on pages 16 to 22 form part of these financial statements.

Directly Operated Railways Limited
Annual Report and Financial Statements

Consolidated Statement of Comprehensive Income
For the year ended 31 March 2017

	2017 £'000	2016 £'000
Profit for the financial year	4	581
Re-measurements of net defined benefit obligation	-	-
Total tax on components of other comprehensive income	-	-
Total comprehensive income for the year	4	581

The notes on pages 16 to 22 form part of these financial statements.

Directly Operated Railways Limited
Annual Report and Financial Statements

**Consolidated and Company Balance Sheets as at
31 March 2017**

	Note	Group 2017 £'000	2016 £'000	Company 2017 £'000	2016 £'000
Current assets					
Debtors	8	42	4	42	4
Cash at bank and in hand		26,736	26,832	26,736	26,832
		26,778	26,836	26,778	26,836
Creditors: amounts falling due within one year	9	(18)	(80)	(18)	(80)
Net current assets		26,760	26,756	26,760	26,756
Total assets less current liabilities		26,760	26,756	26,760	26,756
Net assets		26,760	26,756	26,760	26,756
Capital and reserves					
Profit and loss account		26,760	26,756	26,760	26,756
Called up share capital		-	-	-	-
Total shareholders' funds	12	26,760	26,756	26,760	26,756

The notes on pages 16 to 22 are an integral part of these financial statements.

The financial statements on pages 11 to 22 were approved by the Board of Directors on 18th December 2017 and signed on its behalf by



David Bennett
Executive Director
18th December 2017

Company number 06950819

Directly Operated Railways Limited
Annual Report and Financial Statements

Consolidated and Company Statements of changes in equity
For the year ended 31 March 2017

Consolidated	Called up Share Capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
Balance at 1 April 2015	-	26,175	26,175
Profit for the financial year	-	581	581
Other comprehensive income for the year	-	-	-
Balance as at 31 March 2016	-	26,756	26,756
Balance at 1 April 2016	-	26,756	26,756
Profit for the financial year	-	4	4
Other comprehensive income for the year	-	-	-
Balance as at 31 March 2017	-	26,760	26,760

Company	Called up Share Capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
Balance at 1 April 2015	-	26,175	26,175
Profit for the financial year	-	581	581
Other comprehensive income for the year	-	-	-
Balance as at 31 March 2016	-	26,756	26,756
Balance at 1 April 2016	-	26,756	26,756
Profit for the financial year	-	4	4
Other comprehensive income for the year	-	-	-
Balance as at 31 March 2017	-	26,760	26,760

The notes on pages 16 to 22 form part of these financial statements.

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Consolidated Statement of Cash Flows
For the year ended 31 March 2017

		2017 £'000	2016 £'000
	Note		
Net cash (outflow)/inflow from operating activities	14	(169)	785
Taxes paid		6	(97)
		<u>(163)</u>	<u>688</u>
Cash flow from investing activities			
Interest received		67	94
Net cash generated from investment activities		<u>67</u>	<u>94</u>
		<u>(96)</u>	<u>782</u>
(Decrease)/increase in cash and cash equivalents			
Net opening cash and cash equivalents at 1 April 2016/2015		<u>26,832</u>	<u>26,050</u>
Net closing cash and cash equivalents at 31 March 2017/2016		<u>26,736</u>	<u>26,832</u>

The notes on pages 16 to 22 form part of these financial statements

Directly Operated Railways Limited
Annual Report and Financial Statements
Notes to the Financial Statements
For the year ended 31 March 2017

1. Accounting policies

a) General Information

Directly Operated Railways Limited is a limited liability company incorporated in United Kingdom. The Registered Office is Great Minster House, 33 Horseferry Road, London SW1P 4DR.

b) Statement of compliance

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS102") and the Companies Act 2006. The company transitioned from previously existent UK GAAP to FRS 102 as at 1st April 2015.

c) Basis of preparation

The financial statements of Directly Operated Railways Limited were approved for issue by the Board of Directors on 18th December 2017. The financial statements have been prepared on a going concern basis, under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £'000.

The Group's accounting policies are consistent with the prior year.

The company has considerable resources, as evidenced by its cash balances and very negligible liabilities. It has ceased to engage in ongoing business activities. As a result the Directors believe that the company is well placed to manage its risks. After making enquiries the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the annual report and financial statements.

d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed and value added taxes.

Interest income is recognised using the effective interest rate method

e) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account. Except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Current or deferred taxation assets and liabilities are not discounted

f) Current Tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

g) Deferred Tax

Deferred tax arises from timing differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of

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1. Accounting policies (continued)

income and expenses in tax assessments in periods different to those that are recognised in the financial statements.

h) Deferred Tax (continued)

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantially enacted by the period end and that are expected to apply to the reversal of the timing difference.

i) Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic cost less accumulated depreciation. Depreciation is provided on a straight line basis to write off the cost less estimated residual value of fixed assets over their expected useful economic lives as follows:

Leasehold land & buildings	3-10 years or lease term
Plant and equipment	3-10 years or lease term

j) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand.

k) Provisions

A provision is recognised when the company has a legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be measured reliably.

l) Contingencies

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Company. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow is remote.

m) Discontinued Operations

Discontinued operations represent a subsidiary which has been disposed of and which was a material part of the business

n) Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors have considered estimates and judgements in applying accounting policies, accounting estimates and assumptions, and due to the low level of activity in the financial year do not consider any specific matters to be critical to the preparation of these financial statements.

Directly Operated Railways Limited
Annual Report and Financial Statements
Notes to the Financial Statements
For the year ended 31 March 2017

2. Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities, stated net of value added tax. All turnover originates in the United Kingdom.

The company primarily provides management services.

3. Operating (loss)/profit

Operating (loss)/profit	2017 £'000	2016 £'000
Operating (loss)/profit is stated after charging:		
Wages and salaries	-	1,018
Social security costs	-	130
Other pension costs	-	33
Other costs	-	-
Staff costs charged to profit and loss	-	1,181
Depreciation – owned assets	-	-
Delay Repay costs	-	-
Operating lease rentals		
– Fixed track access	-	-
– Land and buildings	-	-
– Rolling stock costs	-	-
– Plant and machinery	-	-
– Other	-	-
Auditors' remuneration – audit fees	11	11
Auditors' remuneration – taxation compliance	7	5
– other compliance reporting	-	-
Total amount payable to Company's auditors	18	16

4. Employees and directors

Employees

The average monthly number of employees (including Directors) during the year was as follows:

	2017 Number	2016 Number
Managerial and administrative	-	5
Operational	-	-
	-	5

Directors

	2017 £'000	2016 £'000
Aggregate emoluments in respect of qualifying services to the Company	-	511
Company contributions made to money purchase pension schemes	-	-
Compensation for loss of office	-	53
Total	-	564

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For the year ended 31 March 2017

4. Employees and directors (continued)

The emoluments excluding pension contributions of the highest paid Director were £Nil (Year ended 31 March 2016: £254,400).

The pension contributions of the highest paid Director were nil (Year ended 31 March 2016: Nil). During 2017 £Nil (2016: £52,734) was paid to Directors as compensation for loss of office.

The current Directors of DOR are DfT employees who are now remunerated by DfT since the cessation of trading activities within DOR.

5. Net Interest expense

	2017 £'000	2016 £'000
Interest receivable and similar income		
Bank interest	67	94
Other interest receivable	-	-
	<u>67</u>	<u>94</u>
Interest payable and similar expenses		
Interest payable to group undertakings	-	-
	<u>-</u>	<u>-</u>
Net interest expense	<u>67</u>	<u>94</u>

6. Tax on profit

(a) Tax expense included in profit or loss:

	2017 £'000	2016 £'000
Current taxation:		
UK corporation tax on profits of the year	3	140
Adjustments in respect of prior years	(9)	(13)
	<u>(6)</u>	<u>127</u>
Deferred taxation:		
Origination and reversal of timing differences (note 10)	-	-
Defined benefit pension	-	-
	<u>(6)</u>	<u>-</u>
Tax charge on profit	<u>(6)</u>	<u>127</u>

(b) Tax expense/(income) included in other comprehensive income:

	2017 £'000	2016 £'000
Origination and reversal of timing differences	<u>-</u>	<u>-</u>

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Annual Report and Financial Statements
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6. Tax on profit (continued)

(c) Reconciliation of tax charge:

Tax assessed for the year is higher (2016: lower) than the standard rate of corporation tax in the UK for the year ended 31 March 2017 of 20% (2016: 20%). The differences are explained below:

	2017 £'000	2016 £'000
Profit before taxation	(2)	708
Notional charge at UK corporation tax rate of 20% (2016: 20%)	0	141
Non deductible expenses	-	-
Income not subject to tax	-	-
Capital allowances (in excess of)/lower than depreciation	-	(1)
Other short-term timing differences	3	-
Adjustment in respect of prior years	(9)	(13)
Total tax charge for the year	(6)	127

(d) Tax rate changes

Legislation was introduced in the Finance (no 2) Act 2015 to reduce the main rate of corporation tax to 19% for the Financial Year 2017, to set the rate at 19% for Financial Years 2018 and 2019, and reduce it to 18% for the Financial Year 2020. It was announced at the Budget 2016 that the corporation tax rate for the Financial Year 2020 would be reduced to 17%.

The effects of these changes are not included in these financial statements.

7. Investments

Details of the Company's subsidiaries as at 31 March 2017 are as follows:

Name of Company and country of registration	Type and number of shares at 31 March 2016	Type and number of shares at 31 March 2017	Percentage interest at 31 Dec 2016	Nature of business
West Coast Main Line Company Limited – United Kingdom	1 ordinary of £1	1 ordinary of £1	100%	Dormant Company.
London Midland Trains Limited – United Kingdom	1 ordinary of £1	1 ordinary of £1	100%	Dormant Company
Thameslink Limited – United Kingdom	1 ordinary of £1	1 ordinary of £1	100%	Dormant Company
Trans Pennine Express Limited – United Kingdom	1 ordinary of £1	1 ordinary of £1	100%	Dormant Company
EM Trains Limited-United Kingdom	1 ordinary of £1	1 ordinary of £1	100%	Dormant Company

All subsidiaries of DOR have the following business address: Great Minster House, 33 Horseferry Road, SW1P 4DR.

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8. Debtors

Group and Company	2017 £'000	2016 £'000
Trade debtors	-	-
Amounts owed by group undertakings	-	-
Other debtors	42	4
Prepayments and accrued income	-	-
	<u>42</u>	<u>4</u>

9. Creditors: amounts falling due within one year

Group and Company	2017 £'000	2016 £'000
Other taxation and social security	-	6
Corporation tax	-	44
Accruals and deferred income	18	30
	<u>18</u>	<u>80</u>

10. Deferred tax

The major components of the deferred taxation asset are as follows:

	2017 £'000	2016 £'000
Other timing differences	-	-
Short term timing differences	-	-
	<u>-</u>	<u>-</u>

11. Called up share capital

	2017 £	2016 £
<i>Authorised</i> (2016: 100) 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
<i>Allotted, called up and fully paid</i> (2016: 1) 1 Ordinary share of £1	<u>1</u>	<u>1</u>

12. Reserves and reconciliation of movements in shareholders' funds/(deficit)

	2017 £'000	2016 £'000
Total Shareholders' funds at FY Start	26,756	26,175
Dividend received	-	-
(Loss)/profit for the financial year	4	581
Total Shareholders' funds at 31 March 2017	<u>26,760</u>	<u>26,756</u>

13. Retirement benefits

The cost of contributions to the defined contribution scheme amounts to £nil (2016: £27,000).

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14. Cash flow statement

(a) Reconciliation of operating profit to net cash (outflow)/inflow from operating activities

Continuing operations	2017 £'000	2016 £'000
Operating (loss)/profit	(69)	614
(Increase)/decrease in debtors	(38)	659
Increase/(decrease) in creditors	(62)	(488)
Total net cash (outflow)/inflow from operating activities	(169)	785

(b) Reconciliation of net cash flow to movement in net funds

	2017 £'000	2016 £'000
(Decrease)/increase in cash in the year	(96)	782
Change in net cash resulting from cash flows	(96)	782
Net cash at 1 April 2016	26,832	26,050
Net cash at 31 March 2017	26,736	26,832

(c) Analysis of net funds

	1 April 2016 £'000	Cash flow £'000	Non Cash Movements £'000	31 March 2017 £'000
Net cash in hand	26,832	(96)	-	26,736

15. Related party transactions

No related party transactions took place in the 2016-17 Financial Year.

16. Ultimate parent undertakings

The immediate and ultimate parent undertaking and controlling party is the Department for Transport. The Department for Transport is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 March 2017. The consolidated financial statements of the Department for Transport can be obtained from Great Minster House, 33 Horseferry Road, London, SW1P 4DR.