

**Unaudited Financial Statements**  
**for the Period**  
**1 September 2019 to 28 February 2021**  
**for**  
**Harry Needle Railroad Company Ltd**

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for the Period 1 September 2019 to 28 February 2021**

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**Harry Needle Railroad Company Ltd**  
**Company Information**  
**for the Period 1 September 2019 to 28 February 2021**

|                           |   |
|---------------------------|---|
| <b>DIRECTOR:</b>          | Mr H C Needle   |
| <b>SECRETARY:</b>         | Mrs C A Needle  |
| <b>REGISTERED OFFICE:</b> | Reedham House<br>31 King Street West<br>Manchester<br>M3 2PJ  |
| <b>REGISTERED NUMBER:</b> | 03778022 (England and Wales)  |
| <b>ACCOUNTANTS:</b>       | Freedman Frankl & Taylor<br>Chartered Accountants<br>Reedham House<br>31 King Street West<br>Manchester<br>M3 2PJ |

**Harry Needle Railroad Company Ltd (Registered number: 03778022)**

**Balance Sheet  
28 February 2021**

|  | Notes | 2021<br>£        | £                | 2019<br>£        | £                |
|--|-------|------------------|------------------|------------------|------------------|
| <b>FIXED ASSETS</b>                          |       |                  |                  |                  |                  |
| Intangible assets                            | 4     |                  | -                |                  | -                |
| Tangible assets                              | 5     |                  | <u>6,550,746</u> |                  | <u>4,583,228</u> |
|  |       |                  | 6,550,746        |                  | 4,583,228        |
| <b>CURRENT ASSETS</b>                        |       |                  |                  |                  |                  |
| Stocks                                       |       | 324,413          |                  | 402,102          |                  |
| Debtors                                      | 6     | 2,340,242        |                  | 1,264,757        |                  |
| Cash at bank and in hand                     |       | <u>2,956,252</u> |                  | <u>913,678</u>   |                  |
|  |       | 5,620,907        |                  | 2,580,537        |                  |
| <b>CREDITORS</b>                             |       |                  |                  |                  |                  |
| Amounts falling due within one year          | 7     | <u>3,143,007</u> |                  | <u>1,410,013</u> |                  |
| <b>NET CURRENT ASSETS</b>                    |       |                  | <u>2,477,900</u> |                  | <u>1,170,524</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                  | 9,028,646        |                  | 5,753,752        |
| <b>CREDITORS</b>                             |       |                  |                  |                  |                  |
| Amounts falling due after more than one year | 8     |                  | (3,150,115)      |                  | (3,099,059)      |
| <b>PROVISIONS FOR LIABILITIES</b>            |       |                  | <u>(54,451)</u>  |                  | <u>(16,315)</u>  |
| <b>NET ASSETS</b>                            |       |                  | <u>5,824,080</u> |                  | <u>2,638,378</u> |
| <b>CAPITAL AND RESERVES</b>                  |       |                  |                  |                  |                  |
| Called up share capital                      | 11    |                  | 100              |                  | 100              |
| Retained earnings                            |       |                  | <u>5,823,980</u> |                  | <u>2,638,278</u> |
| <b>SHAREHOLDERS' FUNDS</b>                   |       |                  | <u>5,824,080</u> |                  | <u>2,638,378</u> |

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 28 February 2021.

The members have not required the company to obtain an audit of its financial statements for the period ended 28 February 2021 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

**Balance Sheet - continued**  
**28 February 2021**

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the director and authorised for issue on 25 February 2022 and were signed by:

Mr H C Needle - Director

**Notes to the Financial Statements  
for the Period 1 September 2019 to 28 February 2021**

**1. STATUTORY INFORMATION**

Harry Needle Railroad Company Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Related party exemption**

The company has taken advantage of exemption, under the terms of Section 1A "Small Entities" of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**Turnover**

Revenue is recognised in the income statement on a straight line basis over the period of the hire.

Revenue arising from services provided is recognised in the income statement when the service is performed.

Revenue arising from storage income is recognised in the income statement in the period in which it is receivable.

**Goodwill**

Goodwill, being the amount paid in connection with the acquisition of a business in 2007, is being amortised evenly over its estimated useful life of five years.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

|                         |                           |
|-------------------------|---------------------------|
| Freehold property       | - 2% on cost              |
| Improvement to property | - 2% on cost              |
| Locomotives on hire     | - 20% on reducing balance |
| Plant and machinery     | - 20% on reducing balance |
| Fixtures and fittings   | - 20% on reducing balance |
| Motor vehicles          | - 25% on reducing balance |
| Computer equipment      | - 25% on reducing balance |

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Taxation**

Taxation for the period comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Notes to the Financial Statements - continued  
for the Period 1 September 2019 to 28 February 2021**

**2. ACCOUNTING POLICIES - continued**

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

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.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Grants**

Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred.

**Operating leases**

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

**Going concern**

The company's financial statements for the period ended 28 February 2021 have been prepared on a going concern basis as, after making appropriate enquiries, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

**3. EMPLOYEES AND DIRECTORS**

The average number of employees during the period was 25 (2019 - 24) .

**4. INTANGIBLE FIXED ASSETS**

|   | Goodwill<br>£ |
|---|---------------|
| <b>COST</b>                                 |               |
| At 1 September 2019<br>and 28 February 2021 | <u>10,000</u> |
| <b>AMORTISATION</b>                         |               |
| At 1 September 2019<br>and 28 February 2021 | <u>10,000</u> |
| <b>NET BOOK VALUE</b>                       |               |
| At 28 February 2021                         | <u>-</u>      |
| At 31 August 2019                           | <u>-</u>      |

Notes to the Financial Statements - continued  
for the Period 1 September 2019 to 28 February 2021

5. TANGIBLE FIXED ASSETS

|                        | Freehold<br>property<br>£        | Improvement<br>to<br>property<br>£ | Locomotives<br>on hire<br>£ | Plant and<br>machinery<br>£ |
|------------------------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| <b>COST</b>            |                                  |                                    |                             |                             |
| At 1 September 2019    | 2,327,395                        | 1,352,316                          | 2,719,155                   | 411,500                     |
| Additions              | -                                | 1,946,154                          | 306,422                     | 156,828                     |
| Disposals              | -                                | -                                  | (102,778)                   | -                           |
| At 28 February 2021    | <u>2,327,395</u>                 | <u>3,298,470</u>                   | <u>2,922,799</u>            | <u>568,328</u>              |
| <b>DEPRECIATION</b>    |                                  |                                    |                             |                             |
| At 1 September 2019    | 34,911                           | 20,285                             | 1,944,605                   | 351,494                     |
| Charge for period      | 69,822                           | 69,135                             | 252,314                     | 24,457                      |
| Eliminated on disposal | -                                | -                                  | (52,504)                    | -                           |
| At 28 February 2021    | <u>104,733</u>                   | <u>89,420</u>                      | <u>2,144,415</u>            | <u>375,951</u>              |
| <b>NET BOOK VALUE</b>  |                                  |                                    |                             |                             |
| At 28 February 2021    | <u>2,222,662</u>                 | <u>3,209,050</u>                   | <u>778,384</u>              | <u>192,377</u>              |
| At 31 August 2019      | <u>2,292,484</u>                 | <u>1,332,031</u>                   | <u>774,550</u>              | <u>60,006</u>               |
|                        | Fixtures<br>and<br>fittings<br>£ | Motor<br>vehicles<br>£             | Computer<br>equipment<br>£  | Totals<br>£                 |
| <b>COST</b>            |                                  |                                    |                             |                             |
| At 1 September 2019    | 68,149                           | 168,280                            | 5,333                       | 7,052,128                   |
| Additions              | 3,371                            | 78,515                             | -                           | 2,491,290                   |
| Disposals              | -                                | (17,250)                           | -                           | (120,028)                   |
| At 28 February 2021    | <u>71,520</u>                    | <u>229,545</u>                     | <u>5,333</u>                | <u>9,423,390</u>            |
| <b>DEPRECIATION</b>    |                                  |                                    |                             |                             |
| At 1 September 2019    | 17,582                           | 96,305                             | 3,718                       | 2,468,900                   |
| Charge for period      | 14,496                           | 33,577                             | 555                         | 464,356                     |
| Eliminated on disposal | -                                | (8,108)                            | -                           | (60,612)                    |
| At 28 February 2021    | <u>32,078</u>                    | <u>121,774</u>                     | <u>4,273</u>                | <u>2,872,644</u>            |
| <b>NET BOOK VALUE</b>  |                                  |                                    |                             |                             |
| At 28 February 2021    | <u>39,442</u>                    | <u>107,771</u>                     | <u>1,060</u>                | <u>6,550,746</u>            |
| At 31 August 2019      | <u>50,567</u>                    | <u>71,975</u>                      | <u>1,615</u>                | <u>4,583,228</u>            |



Notes to the Financial Statements - continued  
for the Period 1 September 2019 to 28 February 2021

5. **TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

|   | Motor<br>vehicles<br>£ |
|---|------------------------|
| <b>COST</b>                                 |                        |
| At 1 September 2019<br>and 28 February 2021 | <u>35,372</u>          |
| <b>DEPRECIATION</b>                         |                        |
| At 1 September 2019                         | 11,237                 |
| Charge for period                           | <u>8,296</u>           |
| At 28 February 2021                         | <u>19,533</u>          |
| <b>NET BOOK VALUE</b>                       |                        |
| At 28 February 2021                         | <u>15,839</u>          |
| At 31 August 2019                           | <u>24,135</u>          |

6. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|               | 2021<br>£        | 2019<br>£        |
|---------------|------------------|------------------|
| Trade debtors | 2,249,968        | 1,097,541        |
| Other debtors | <u>90,274</u>    | <u>167,216</u>   |
|               | <u>2,340,242</u> | <u>1,264,757</u> |

7. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                      | 2021<br>£        | 2019<br>£        |
|--------------------------------------|------------------|------------------|
| Bank loans and overdrafts            | 511,666          | 488,846          |
| Hire purchase contracts (see note 9) | 4,798            | 8,838            |
| Trade creditors                      | 1,067,759        | 791,573          |
| Taxation and social security         | 935,773          | 72,489           |
| Other creditors                      | <u>623,011</u>   | <u>48,267</u>    |
|                                      | <u>3,143,007</u> | <u>1,410,013</u> |

8. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|                                      | 2021<br>£        | 2019<br>£        |
|--------------------------------------|------------------|------------------|
| Bank loans                           | 2,960,115        | 3,089,842        |
| Hire purchase contracts (see note 9) | -                | 9,217            |
| Other creditors                      | <u>190,000</u>   | <u>-</u>         |
|                                      | <u>3,150,115</u> | <u>3,099,059</u> |

Notes to the Financial Statements - continued  
for the Period 1 September 2019 to 28 February 2021

9. **LEASING AGREEMENTS**

Minimum lease payments under hire purchase fall due as follows:

|                              | 2021<br>£    | 2019<br>£     |
|------------------------------|--------------|---------------|
| Gross obligations repayable: |              |               |
| Within one year              | 5,222        | 9,595         |
| Between one and five years   | -            | 10,019        |
|                              | <u>5,222</u> | <u>19,614</u> |
| Finance charges repayable:   |              |               |
| Within one year              | 424          | 757           |
| Between one and five years   | -            | 802           |
|                              | <u>424</u>   | <u>1,559</u>  |
| Net obligations repayable:   |              |               |
| Within one year              | 4,798        | 8,838         |
| Between one and five years   | -            | 9,217         |
|                              | <u>4,798</u> | <u>18,055</u> |

10. **SECURED DEBTS**

The following secured debts are included within creditors:

|                         | 2021<br>£        | 2019<br>£        |
|-------------------------|------------------|------------------|
| Bank loans              | 3,471,781        | 3,578,688        |
| Hire purchase contracts | 4,798            | 18,055           |
|                         | <u>3,476,579</u> | <u>3,596,743</u> |

11. **CALLED UP SHARE CAPITAL**

| Allotted, issued and fully paid: |          | Nominal<br>value: | 2021       | 2019       |
|----------------------------------|----------|-------------------|------------|------------|
| Number:                          | Class:   |                   | £          | £          |
| 100                              | Ordinary | £1                | <u>100</u> | <u>100</u> |

12. **RELATED PARTY DISCLOSURES**

Included in other creditors is the director's current account balance of £569 (2019 - £302). This is interest free and repayable on demand.

13. **ULTIMATE CONTROLLING PARTY**

The company is a wholly owned subsidiary of HNRC Holdings LTD, a company incorporated in England and Wales. The Registered office address is Reedham House, 31 King Street West, Manchester, M3 2PJ.

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