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

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
INSTITUTION OF RAILWAY OPERATORS LIMITED
(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors
E Burrows
L Edwards (resigned 29 September 2021)
A Jones (resigned 29 September 2021)
M Langman (resigned 24 November 2020)
S Langridge (resigned 24 November 2020)
J Meade
B Rule
H Smith
F Tordoff
H Walker
A Joy
T Joyner
P James (appointed 23 February 2021)

Registered number
07655952

Registered office
Beacon Building 2nd Floor
Stafford Enterprise Park West
Weston Road
Stafford
ST18 0BF

Independent auditor
Rawlinson & Hunter Audit LLP
Chartered Accountants & Statutory Auditor
Eighth Floor
6 New Street Square
New Fetter Lane
London
EC4A 3AQ
INSTITUTION OF RAILWAY OPERATORS LIMITED
(A Company Limited by Guarantee)

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

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors present their report and the audited financial statements of Institution of Railway Operators Limited ("the company") for the year ended 30 September 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the audited financial statements of the company in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

Principal activities

The objectives of the company are to advance the safe and reliable operation of railways and to promote the training of personnel engaged in their operation. The company aims to achieve these objectives by improving the technical and general skill knowledge and competence of railway staff. This will involve inter alia, the provision of conferences and training courses, the development of a range of nationally recognised qualifications and improvements of safety standards by the conducting of research, the instituting of tests and examinations and the promotion of high standards of conduct and good working practices.
Directors

The directors who served during the year were:

E Burrows
L Edwards (resigned 29 September 2021)
A Jones (resigned 29 September 2021)
M Langman (resigned 24 November 2020)
S Langridge (resigned 24 November 2020)
J Meade
B Rule
H Smith
F Tordoff
H Walker
A Joy
T Joyner
P James (appointed 23 February 2021)

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors’ Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company’s auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company’s auditor is aware of that information.

Post balance sheet events

Post the balance sheet date the trade, assets and liabilities of the company were transferred to the Chartered Institution of Railway Operators, a company incorporated under Royal Charter RC000918.

Covid 19 and Brexit

The Covid-19 pandemic that has taken hold in the UK will undoubtedly have an effect on all UK companies in a wide ranging manner, potentially affecting their operational capability, liquidity and financial position. The directors have considered the implications and have put in place business continuity plans that should allow the company to continue in operation.

The directors have also considered the possible impact of Brexit on the financial activities and financial position of the company and are keeping these matters under review.

Auditor

Under section 487(2) of the Companies Act 2006, Rawlinson & Hunter Audit LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.
Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

F Tordoff
Director

Date: 27/05/22
INSTITUTION OF RAILWAY OPERATORS LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF INSTITUTION OF RAILWAY OPERATORS LIMITED

Opinion

We have audited the financial statements of Institution of Railway Operators Limited ("the company") for the year ended 30 September 2021, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes, 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 Financial Reporting Standard 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 company's affairs as at 30 September 2021 and of its profit 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.

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. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.
INSTITUTION OF RAILWAY OPERATORS LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF INSTITUTION OF RAILWAY OPERATORS LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Directors' Report and Financial Statements other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Directors' Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 company 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.
INSTITUTION OF RAILWAY OPERATORS LIMITED  
(A Company Limited by Guarantee)  

INDEPENDENT AUDITOR’S REPORT TO THE SHAREHOLDERS OF INSTITUTION OF RAILWAY OPERATORS LIMITED (CONTINUED)  

Responsibilities of directors  

As explained more fully in the Directors’ Responsibilities Statement set out on page 1, 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 company’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.  

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.  

Our assessment of the susceptibility of the entity’s financial statements to material misstatement, including how fraud might occur, is considered to be low. This conclusion was reached after the consideration of the following:  

- due to the relatively simple business model and relatively low volume of transactions of the company there are comparatively few unexpected fluctuations in the reported results and balances and any such unexpected items would be specifically enquired into by us; and  
- there are a number of individuals which comprise “management” and therefore there is no single individual who is likely to be able to override controls to effect a fraud.  

We designed our audit procedures to respond to identified audit risks, including non-compliance with laws and regulations (irregularities) that are material to the financial statements. Some of the specific procedures performed to detect irregularities, including fraud, are detailed below:  

- the review of control accounts and journal entries for large or unusual activities;  
- the analytical review of the profit and loss account for variances that are either unexpected or considered not to be in accordance with our understanding of the business during the year;  
- obtaining and reviewing for completeness a list of entries and persons considered to be related parties (as defined by Financial Reporting Standard 102) and reviewing the ledgers of the company for previously unreported related party transactions;  
- review of transactions and journals for any indication of fraud or management override; and  
- confirming the going concern basis is appropriate by reviewing forecasts and post year end results for the company.
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

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.

Kulwarr Nagra (Senior Statutory Auditor)

for and on behalf of
Rawlinson & Hunter Audit LLP
Chartered Accountants
Statutory Auditor
Eighth Floor
6 New Street Square
New Fetter Lane
London
EC4A 3AQ
Date: 27 May 2022
INSTITUTION OF RAILWAY OPERATORS LIMITED
(A Company Limited by Guarantee)

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2021

<table>
<thead>
<tr>
<th>Note</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Turnover</td>
<td>2</td>
<td>3,055,318</td>
</tr>
<tr>
<td>Cost of sales</td>
<td></td>
<td>(1,080,129)</td>
</tr>
<tr>
<td>Gross profit</td>
<td></td>
<td>1,975,189</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td></td>
<td>(1,342,820)</td>
</tr>
<tr>
<td>Operating profit</td>
<td></td>
<td>632,369</td>
</tr>
<tr>
<td>Loss on disposal of investments</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Interest receivable and similar income</td>
<td></td>
<td>83</td>
</tr>
<tr>
<td>Profit before tax</td>
<td></td>
<td>632,452</td>
</tr>
<tr>
<td>Tax on profit</td>
<td></td>
<td>(120,808)</td>
</tr>
<tr>
<td>Profit for the financial year</td>
<td></td>
<td>511,644</td>
</tr>
</tbody>
</table>

The notes on pages 11 to 18 form part of these financial statements.
### INSTITUTION OF RAILWAY OPERATORS LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07655952

### BALANCE SHEET
AS AT 30 SEPTEMBER 2021

<table>
<thead>
<tr>
<th>Note</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>4</td>
<td>6,078</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6,078</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors: amounts falling due within one year</td>
<td>5</td>
<td>599,838</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>6</td>
<td>1,315,337</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,915,175</td>
</tr>
<tr>
<td>Creditors: amounts falling due within one year</td>
<td>7</td>
<td>(991,541)</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td></td>
<td>923,634</td>
</tr>
<tr>
<td><strong>Total assets less current liabilities</strong></td>
<td></td>
<td>929,712</td>
</tr>
<tr>
<td>Creditors: amounts falling due after more than one year</td>
<td>8</td>
<td>(48,000)</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td>881,712</td>
</tr>
<tr>
<td><strong>Capital and reserves</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit and loss account</td>
<td>10</td>
<td>881,712</td>
</tr>
<tr>
<td></td>
<td></td>
<td>881,712</td>
</tr>
</tbody>
</table>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

F Tordoff
Director

Date: 27/05/22

The notes on pages 11 to 18 form part of these financial statements.
INSTITUTION OF RAILWAY OPERATORS LIMITED  
(A Company Limited by Guarantee)

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

<table>
<thead>
<tr>
<th></th>
<th>Profit and loss account</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>At 1 October 2020</td>
<td>370,068</td>
<td>370,068</td>
</tr>
<tr>
<td>Comprehensive income for the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for the year</td>
<td>511,644</td>
<td>511,644</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td></td>
<td>511,644</td>
</tr>
<tr>
<td>At 30 September 2021</td>
<td>881,712</td>
<td>881,712</td>
</tr>
</tbody>
</table>

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2020

<table>
<thead>
<tr>
<th></th>
<th>Fair Value Reserve</th>
<th>Profit and loss account</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>At 1 January 2019</td>
<td>49,439</td>
<td>74,528</td>
<td>123,967</td>
</tr>
<tr>
<td>Comprehensive income for the year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for the year</td>
<td></td>
<td>-</td>
<td>246,101</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td></td>
<td>-</td>
<td>246,101</td>
</tr>
<tr>
<td>Transfer to/from profit and loss account</td>
<td>(49,439)</td>
<td>49,439</td>
<td>-</td>
</tr>
<tr>
<td>Total transactions with owners</td>
<td>(49,439)</td>
<td>49,439</td>
<td>-</td>
</tr>
<tr>
<td>At 30 September 2020</td>
<td>-</td>
<td>370,068</td>
<td>370,068</td>
</tr>
</tbody>
</table>

The notes on pages 11 to 18 form part of these financial statements.
1. General information

Institution of Railway Operators Limited ("the company") is a private company, limited by guarantee, incorporated and domiciled in England and Wales with registration number of 07655952. The registered office is Beacon Building 2nd Floor, Stafford Enterprise Park West, Weston Road, Stafford, England, ST18 0BF.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The directors have considered the possible impact of Covid-19 and Brexit on the financial activities and financial position of the company. The directors are aware that there may be potential financial impacts on the company ranging from negligible through to significant.

On the basis of their assessment of the company's financial position and resources, the directors believe that the company is well placed to manage its business risks.

Having considered the contingency plans in place, the support to businesses announced by the UK government and having reviewed updated cashflow forecasts, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and hence consider the adoption of the going concern basis in preparing these financial statements is appropriate.

2.3 Revenue

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts. For details of the basis of income recognition refer to 2.4 below.
2. Accounting policies (continued)

2.4 Income

Corporate membership is a membership which spans twelve months. The membership income is recognised over the course of the twelve month period.

Subscriptions are also for twelve months. The subscription income is also recognised over the course of the twelve month period.

Educational courses are in three main categories; degree, diploma and certificate. The courses are in line with the academic year, with the degree and diploma courses running for two academic years and the certificate courses running for one academic year. The monies received in relation to educational courses are initially deferred and then credited to the Profit and Loss Account over 24 months and 12 months for the degree / diploma courses and certificate courses respectively.

End point assessments are invoiced when they are completed at the end of the courses and the income recognised once invoiced.

The company holds an annual lunch for its members for a fee. This fee is included in turnover in the period the lunch takes place.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

- Computer equipment - 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.
INSTITUTION OF RAILWAY OPERATORS LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

2. Accounting policies (continued)

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.
2. Accounting policies (continued)

2.10 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

2.11 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

2.12 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.13 Deferred income

Corporate membership, subscription and educational course income is recognised on a straight line basis over the period of the membership / subscription or the duration of the course with the balance, if any, included in deferred income.

3. Employees

The average monthly number of employees, including directors, during the year was 37 (2020 - 30).
4. Tangible fixed assets

<table>
<thead>
<tr>
<th></th>
<th>Computer equipment £</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost or valuation</strong></td>
<td></td>
</tr>
<tr>
<td>At 1 October 2020</td>
<td>41,173</td>
</tr>
<tr>
<td>Additions</td>
<td>5,913</td>
</tr>
<tr>
<td><strong>At 30 September 2021</strong></td>
<td>47,086</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td></td>
</tr>
<tr>
<td>At 1 October 2020</td>
<td>33,313</td>
</tr>
<tr>
<td>Charge for the year on owned assets</td>
<td>7,695</td>
</tr>
<tr>
<td><strong>At 30 September 2021</strong></td>
<td>41,008</td>
</tr>
<tr>
<td><strong>Net book value</strong></td>
<td></td>
</tr>
<tr>
<td>At 30 September 2021</td>
<td>6,078</td>
</tr>
<tr>
<td>At 30 September 2020</td>
<td>7,860</td>
</tr>
</tbody>
</table>

5. Debtors

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><strong>Trade debtors</strong></td>
<td>403,351</td>
<td>346,476</td>
</tr>
<tr>
<td><strong>Other debtors</strong></td>
<td>58</td>
<td>58</td>
</tr>
<tr>
<td>Prepayments and accrued income</td>
<td>196,429</td>
<td>66,522</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>599,838</td>
<td>413,056</td>
</tr>
</tbody>
</table>
### INSTITUTION OF RAILWAY OPERATORS LIMITED
(A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

6. **Cash and cash equivalents**

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank and in hand</td>
<td>1,315,337</td>
<td>600,348</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>182,829</td>
<td>52,397</td>
</tr>
<tr>
<td>Corporation tax</td>
<td>120,761</td>
<td>12,474</td>
</tr>
<tr>
<td>Other taxation and social security</td>
<td>64,652</td>
<td>110,573</td>
</tr>
<tr>
<td>Accruals and deferred income</td>
<td>623,299</td>
<td>327,005</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>991,541</td>
<td>502,449</td>
</tr>
</tbody>
</table>

8. **Creditors: Amounts falling due after more than one year**

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accruals and deferred income</td>
<td>48,000</td>
<td>148,747</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>48,000</td>
<td>148,747</td>
</tr>
</tbody>
</table>

Deferred income due after more than one year of £48,000 (2020 - £148,747) is in relation to fees charged in advance for courses commencing after the balance sheet date and spanning a two year period. As the fees are charged and payable in advance the directors consider there is no significant risk associated with these amounts.
9. Financial instruments

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Financial assets measured at fair value through profit or loss</td>
<td>1,315,337</td>
<td>600,348</td>
</tr>
</tbody>
</table>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

10. Reserves

   Profit and loss account

   The profit and loss account represents the cumulative profits and losses.

11. Company status

   The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

12. Pension commitments

   The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the funds and amounted to £19,251 (2020 - £11,974). There were no contributions owed to the scheme at the balance sheet date.

13. Commitments under operating leases

   At 30 September 2021 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Not later than 1 year</td>
<td>108,795</td>
<td>6,750</td>
</tr>
<tr>
<td>Later than 1 year and not later than 5 years</td>
<td>201,250</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>310,045</td>
<td>6,750</td>
</tr>
</tbody>
</table>
14. **Post balance sheet events**

Post the balance sheet date the trade, assets and liabilities of the company were transferred to the Chartered Institution of Railway Operators, a company incorporated under Royal Charter RC00918.

15. **Controlling party**

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