GROUP FINANCIAL STATEMENTS

RAIL SAFETY AND STANDARDS BOARD LIMITED

YEAR ENDED 31 MARCH 2016

COMPANY NO. 04655675

Company registration number:	04655675
Registered office:	The Helicon, 4th Floor 1 South Place London, EC2M 2RB
Directors:	Anna Bradley (Chairman) Chris Fenton (Chief Executive) resigned 20 May 2016 Mark Phillips (Executive Director) appointed 05 May 2016, (Interim Managing Director) appointed 26 May 2016 Anson Jack (Executive) resigned 31 May 2015 Jeremy Candfield (Non-executive) resigned 31 March 2016 Paul Kirk (Non-executive) Malcolm Brown (Non-executive) Alan Emery (Non-executive) Charles Horton (Non-executive) Steve Murphy (Non-executive) Geoff Spencer (Non-executive) Dolores Byrne (Non-executive) appointed 01 April 2015 Graham Hopkins (Non-executive) appointed 01 June 2015 Philip Hoare (Non-executive) appointed 08 April 2016
Secretary:	Elizabeth Fleming (resigned 11 September 2015) Helen Hasse (appointed 11 September 2015)
Bankers:	HSBC 100 Old Broad Street London EC2N 1BG
Solicitors:	Winckworth Sherwood Solicitors and Parliamentary Agents Minerva House 5 Montague Close London SE1 9BB

Auditors:	UHY Hacker Young LLP Quadrant House 4 Thomas More Square London E1W 1YW

RAIL SAFETY AND STANDARDS BOARD LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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The directors present their annual report and the audited financial statements of Rail Safety and Standards Board Limited (RSSB or the Company) for the year ended 31 March 2016.

Principal activities

RSSB's principal activities are to: help the rail industry understand risk; guide standards; manage research, development and innovation; and support industry collaboration that contributes to meeting industry objectives of reducing cost and carbon, and safely maximising capacity and customer experience.

Britain's rail industry comprises many different organisations, which together form a system with a common purpose of moving people and freight safely and efficiently by rail.

By supporting and facilitating shared decision making, RSSB is helping the industry drive out unnecessary costs, improve business performance, and develop long-term strategies.

Underpinning our work are four key areas:

1. Health and Safety Strategy – RSSB has facilitated the development of the first industry-wide health and safety strategy. This is described in *Leading Health and Safety on Britain's Railway – A strategy for working together* published in March 2016. It identifies 12 priorities for reducing risk, and the management capabilities needed to improve railway health and safety. It also incorporates work being done to improve safety reporting systems and confidential reporting, risk modelling, and safety performance data.
2. Strategy for Standards – By creating, reviewing and simplifying standards in Great Britain, and aligning them with European requirements, RSSB is helping to make the standards easier for the industry to deliver efficiently and safely.
3. Rail Technical Strategy – We are commissioning and managing research and innovation programmes that will influence and aid decision-making over the next 30 years. The Rail Technical Strategy is promoting schemes and projects that will result in both incremental and sizeable step changes to reduce cost and improve capacity.
4. Rail Sustainable Development Principles – These 10 Sustainability Principles have been developed to ensure the rail industry builds on the successes of the past 20 years. They were first published in 2009 and re-launched by the Rail Minister in May 2016. They aim to place the railway at the centre of the nation's transport system, meeting travel needs without compromising or damaging quality of life. The principles not only include activities that reduce rail's environmental impact,

but also look at how we can support the national economy and support local socio-economic development.

RSSB also operates other industry-wide projects including two supplier assurance schemes (RISQS, RISAS), and a confidential reporting scheme (CIRAS). RSSB's subsidiary company, Railway Documentation and Drawing Services Limited, acts as custodian of the library of the British Railways Board's Traction and Rolling Stock drawings and documents.

Business review

Health and Safety Strategy

Leading Health and Safety on Britain's Railway – a strategy for working together, was facilitated by RSSB in collaboration with the rail industry and is endorsed by industry leaders.

Britain's railway system is one of the most intensively used in the world; it is also one of the safest. RSSB members, however, are determined to create an even safer railway, which also has a more mature approach to workforce health and wellbeing.

The strategy has 12 priorities:

- Workforce health and wellbeing
- Public behaviour
- Station operations
- Road risk
- Level crossings
- Fatigue
- Workforce safety
- Infrastructure asset integrity
- Workforce assaults and trauma
- Train operations
- Freight
- Rolling stock asset integrity

It also focuses on ways of improving management capability, including using new technology and next generation reporting systems and risk models; improving health and safety co-operation and developing ways of sharing learning information.

RSSB has started work on a number of priority areas, including:

Platform/train interface

Platform/train interface (PTI) is an acknowledged risk area, which is being addressed by train operators and Network Rail. A significant amount of work has already been done to ensure rail employees are aware of PTI risk. RSSB developed a handbook that has been issued to all train operating companies. A PTI risk tool has been developed and is being rolled out across the industry, and separate campaigns have been run, aimed at staff and the public.

Road driving risk

Road transport plays a crucial role in keeping the railway running, enabling round-the-clock maintenance and development. However, it also carries a risk for rail employees and others. A cross-industry steering group, set up in 2015-16, is looking at the issues. A separate RSSB-managed project is looking at the wider risks of driving to work.

SPAD Strategy

A signal passed at danger (SPAD) caused the fatal rail accident at Ladbroke Grove in 1999. Since then, the industry has introduced a range of measures, including the Train Protection and Warning System, which have significantly reduced the risk from SPADs.

Despite this, SPADs still occur. To assess the level of improvement, the statistics at September 2006 were taken as a baseline. In 2015/16 there were 277 SPADs, and in March 2016 the risk from SPADs was 54% of the 2006 baseline.

A new strategy, approved at the start of 2015, is assessing whether there is a need for new controls and mitigations in the short, medium, and long term, and how to make use of existing best practice.

A review of human factors that result in SPADs was carried out during the year. It highlighted the following key underlying causes:

- Signal design and layouts
- Driver competence management, particularly route knowledge
- Personal factors, particularly fatigue and health
- Driver workload
- Non-technical skills
- Safety critical communications
- Things that cause trains to approach red aspects in the first place

New guidance and research will help Network Rail and train operating companies to focus more on these underlying causes of SPADs, and contribute to the SPAD Strategy.

SMIS +

SMIS + is a £5m programme that brings together the existing cross-industry Safety Management Information System (SMIS) and the Close Call System for incident reporting, creating a single system to improve knowledge of safety performance and learning from incidents.

The first of this project's two phases is due to be delivered by the end of 2016. This will provide the basic essential functions to allow existing SMIS users to capture safety incidents and accidents via a new risk based data model that meets the requirements of today's railway using a new software platform. Further enhanced functionality will be delivered in March 2017.

Safety performance reporting

RSSB has a key role in monitoring and reporting on the railway's safety performance.

In 2015/16, and for the ninth consecutive financial year, there were no train accidents resulting in passenger or workforce deaths.

Excluding trespass and suicide, 2015/16 saw 15 deaths for other reasons recorded on the railway. Eight were passengers at stations and seven were members of the public.

RSSB publishes the Annual Safety Performance Report (ASPR) for the industry. It provides safety intelligence and risk information to a wide-ranging audience including: RSSB members; rail employees; passenger and freight organisations; the government and its agencies, and the public. The 2015/16 ASPR will be published in July 2016.

Learning from operational experience

Near misses and accidents, investigations and recommendations all provide valuable safety information for the industry. RSSB produces a monthly Rail Investigation Summary about events worldwide, highlighting causes and recommendations.

The 'Learning from Operational Experience' annual report was published alongside the ASPR in July 2015. Key sources for the report included the RSSB research programme, and reports on rail and non-rail safety incidents.

In addition, our statistics and teams of experts were able to help the Rail Accident Investigation Branch (RAIB) put incidents in context.

Sharing safety knowledge

Throughout the year, RSSB continued to share important safety information with the rail industry. We have started to use social media channels to broaden our audience reach.

- **RED**, a DVD series that reconstructs incidents to promote discussion, continues to be a valuable learning tool for safety critical industry employees. It is now also available on USB with plans to make archived editions available online later this year.
- **Right Track**, published quarterly, and targeted at all safety critical employees, the magazine is available in hard copy, on company intranets and other online internal communications channels. Its news and features cover important domestic and international rail safety issues.
- **Opsweb** is an on-line resource centre where operational safety professionals can share good practice. Previously managed by a third party, in 2015 RSSB began the process of bringing Opsweb in-house to give it control over content.

R2

In 2015 RSSB successfully combined the Rolling Stock Library (RSL) and the Rail Vehicle Records System (RAVERS) to create R2, a one-stop shop for vehicle information.

R2, which is expected to deliver savings to the industry of £3.5m over the next five years, marks another step towards the goal of ensuring rail journeys are safe and efficient.

In 2016, further phases of R2 will be delivered to provide better reporting to the industry and open interfaces that will allow the industry to better integrate with the system.

Health and wellbeing

RSSB continues to develop knowledge and support on health and wellbeing. A highlight in 2015 was the Health and Wellbeing Conference. This was opened by Professor Dame Carol Black, Work and Health Policy Advisor to the UK government. The event provided an opportunity for the industry to share best practice.

Strategy for Standards

During the year RSSB continued to bring the industry together to consult, agree, develop and publish appropriate standards and guidance for the smooth running of the railway.

The standards committees agreed a new 'strategy for standards'. This provides a framework for the industry to rationalise requirements and remove duplication.

The strategy reflects the transition to European standards, and shows the industry how standards aid compliance and can open up the market.

The Rule Book

The Rule Book is relied on to ensure the operational railway works safely and efficiently. It contains sets of clear instructions which rail staff must follow in certain safety critical scenarios involved in railway operation.

In 2015, RSSB began the next phase of a project to develop a digital version of the Rule Book, facilitating easier access to the content. We plan to appoint a supplier to support the work in 2016 and to run a pilot in 2017.

Gauging

In 2015, a significant standards change project, supported by the Vehicle/Structures System Interface Committee and four standards committees, was completed. It resulted in modernising the gauging and clearance requirements set out in Railway Group Standards (RGSs). The change will:

- Give train manufacturers clear requirements for the maximum build envelope for vehicles.
- Give projects clear requirements for the position of new or altered infrastructure in relation to the track and for new or altered tracks relative to adjacent tracks.
- Integrate existing methods and criteria for assessing gauging compatibility between infrastructure and rolling stock into the suite of documents.

The breadth of the work covers pantograph sway and stepping distances amongst other issues. It has brought industry experts together to learn from each other, as well as find solutions from the consultation process.

RSSB has continued to support, with a secretariat and chair, many of the Mirror Committees established by the British Standards Institute to follow development of EuroNorms. These committees provide a mechanism for the British industry to contribute to these European standards through active participation in meetings, and to vote on their approval.

Engineering acceptance

The consultation process for agreeing new standards on engineering acceptance concluded with new standards set to come into force in June 2016.

Having disbanded Vehicle Acceptance Bodies and withdrawn the Railway Group Standard Engineering Acceptance of Rail Vehicles, Rail Industry Standards Verification of Conformity of Engineering Change to Rail Vehicles, and Engineering Certification of Railborne Plant, will help rail companies manage engineering change to rolling stock.

Yellow front ends

A new standard, published at the end of 2015, means that train operators can now make an informed decision about their trains' front end colour. From March 2016 trains are no longer required to have yellow fronts, provided the right risk assessment has been completed.

Common Safety Method for risk evaluation and assessment

An important addition to the regulatory regime is the introduction of the Common Safety Method on risk evaluation and assessment (the CSM RA). This common European risk management process has applied since 1 July 2012 to all significant changes to the mainline railway system: technical (engineering), operational, and organisational.

RSSB research (project T955) developed methods, guidance and tools to support the management of change and help the industry to meet the requirements of the CSM RA in an efficient and effective way. This resulted in the publication in 2014 of six Rail Industry Guidance Notes (GNs).

ERTMS and GSM-R

The Global System Mobile Communication - Railway (GSM-R) Programme that RSSB has supported for many years has completed the roll out across the network with effect from the end of June allowing resources to concentrate on delivering the European Rail Traffic Management System (ERTMS) programme.

Work has started on developing a strategy on train positioning to support information sharing across diverse information and control systems and commencement of the process to manage the Network Rail GSM-R voice communications.

RSSB hosted an ERTMS Education Day in October for industry and project specialists. The aim was to disseminate valuable knowledge within the industry about how ERTMS will be rolled out across the British rail network. It also gave an opportunity to discuss the huge changes it will make to both engineering and operations.

It is expected that delivery of ERTMS will sit within Network Rail's Digital Railway programme.

Rail Technical Strategy

The Rail Technical Strategy (RTS) is helping to improve efficiency, health and safety and performance on the railway.

RTS highlights in 2015-16 included:

Increasing capacity and reducing carbon footprint

- Development of a high voltage coupler that will open the way for shorter electric trains, capable of speeds of more than 110 mph.
- Rail Minister Claire Perry launched a £6m innovation fund to boost capacity and cut emissions.

Customer experience

- A £1m competition was launched by the Department for Transport, and supported by RSSB, to encourage more visitors to Britain to travel by train to tourist destinations.
- Making use of integrated data to make train travel easier for disabled people and those with special needs.

Cost efficiency

- A joint submission from Vortex Exhaust Technology and Northern Rail which has the potential to reduce the industry's diesel consumption by up to 70m litres every year.

Climate change

- More frequent and intense extreme weather events and higher sea levels will test the resilience of the railway network. Phase 1 of the project *Tomorrow's Railway and Climate Change Adaption* looked at the likely impact of changing weather patterns on Britain's railway, making 120 recommendations for increasing resilience.

Improving driver training

- RSSB-commissioned research looked at ways of modernising training, drawing on international best practice and innovation. New training methods have been developed and piloted on Southeastern. Widespread rollout has the potential to enhance training, deliver savings, and mitigate the ongoing demand for more train drivers.

Next generation trains

- The 'Powertrain' competition managed by RSSB challenged entrants to develop options for self-powered vehicles as an alternative to electrification in difficult-to-access areas. With the aim of reducing carbon footprint and cutting costs, eight finalists were selected.

Improving punctuality, saving money

- A project is underway to determine the best methodologies to advise train drivers of revised optimum speeds during periods of congestion, trialled on First Great Western. Potential to improve fuel efficiency, reduce stops and delays and cut maintenance costs.

Vibration reduction

- A £4.5m co-funded competition has been launched to develop technical improvements to rail vehicles. This aims to reduce the annual £350m cost of track damage and wheelset and suspension maintenance.

Adhesion

- A new study showed that more sanding can be used to tackle poor adhesion without compromising safety. This opens the way for enhanced sanding to halve adhesion-related delays. The results of the study have already led to a change in practice in some areas with tangible benefits.

Level crossing safety

- RSSB-managed research had led to the development of a tool to assess potential mitigations and reduce risk at level crossings protected by signals. It allows Network Rail to assess the likelihood of trains passing a signal at danger and travelling on to a level crossing. It also contains a list of potential mitigations and tools to assess which could best contribute to risk reduction in each context.

Sustainable development principles

RSSB has, over the past 12 months, continued to support and embed Sustainable Development across the rail industry. RSSB has provided sustainable development support in terms of policy leadership, providing tools and enabling activities, as well as undertaking research.

In terms of policy, the Rail Sustainable Development Principles that RSSB has produced are a key part of government strategy. They have been directly incorporated into all new rail franchises and the industry planning process undertaken in 2015/16. The recently issued franchises contain new significant sustainable development contractual commitments to reduce carbon emissions, send zero waste to landfill and focus on social impacts.

RSSB has continued to manage and encourage the rail industry to measure and reduce its carbon footprint. In 2015 RSSB launched the Rail Carbon Tool for members. This enables users to understand the carbon emissions associated with their activities, and identify where reductions can be made. The Rail Carbon Tool has recently reached a number of milestones, including having over 100 users. It is being used on several large infrastructure projects, including the Great Western electrification, East West Rail Phase 2, and the Bank Station upgrade.

Industry schemes

CIRAS

RSSB hosts and supports the confidential reporting scheme on behalf of Britain's rail and other transport modes. The confidential reporting scheme provides an alternative route for reporting health and safety concerns, safeguarding the confidentiality of individual reporters.

2015/16 was a very successful year for CIRAS with its membership numbers increasing by 1008% to more than 1,600.

In January 2016 CIRAS welcomed Transport for London's (TfL) bus services into its membership and work is ongoing to introduce the scheme for other TfL surface transport modes, as well as light railway operators. This diversification has signalled a repositioning of the scheme as being open to all transport sectors and relevant supply chains.

During 2015/16 CIRAS was presented with the European Foundation for Quality Management (EFQM) Excellence Award. This recognised the high levels of organisational performance and the hard work carried out to transform and strengthen the scheme following a business review in 2012.

Supplier Assurance

Great Britain's rail supply chain is both national and international, comprising some 250 buyers procuring from a common supplier base in excess of 6,000 companies; some suppliers are also buyers in their own right. However, in the absence of a common strategy this leads to overlaps, gaps and duplication.

RSSB has appointed a Head of Supplier Assurance to oversee its transformation programme, consisting of four key work streams. Working closely with duty holders and other key buying organisations, we are updating standards around supplier assurance, developing tools and guidance, sponsoring the development of international quality standards for the railway industry, and transforming the current industry scheme arrangements. These will align and improve both the efficiency and effectiveness of the services suppliers provide to the industry.

As part of current industry framework, RSSB oversees two industry schemes; the Railway Industry Supplier Qualification Scheme (RISQS) and the Railway Industry Supplier Approval Scheme (RISAS).

RISQS

The transfer of control back to the industry, with governance provided by a board made up of cross-industry representatives and scheme management facilitated through RSSB, continues to strengthen assurance throughout the industry.

The full range of products and services procured by British rail has been catalogued in a Rail Industry Common Classification List (RICCL). Collaboration with industry groups has led to more effective processes for assurance and new guidance on assurance when procuring On-Track Plant (OTP) services.

The Rail Industry Supplier Qualification Scheme (RISQS) has worked closely with Network Rail and London Underground, working to harmonise processes and remove the need for suppliers to meet the different assurance requirements of multiple infrastructure managers.

We identified organisations that were working on the infrastructure without the proper assurance in place, and created a process to identify and put controls in place for those remaining. This process has resulted in the removal of 150 companies that potentially posed a risk to the infrastructure and workforce.

RISAS

The Rail Industry Supplier Assurance Scheme (RISAS) is designed to efficiently support Safety Management System (SMS) holders as they manage supply chain risk. It rigorously assesses the capability of suppliers of safety-critical services to reliably meet contractual requirements. RISAS now certifies over 75% of suppliers in the market for the supply of rolling stock for heavy maintenance. Over 90% of approved suppliers sought re-certification during 2015/16. Under the direction of the RISAS board, to further enhance risk control in the industry's supply chain, steps have been taken to expand the scheme's application to suppliers of wheel re-profiling, wheel lathe maintenance, axle bearing overhaul; and spares procurement and logistics services.

To progress the maturity of the scheme model, the board has also sought to move the scheme from a position of compliance to one of continuous improvement, introducing a range of new scheme measures including:

- The introduction of intervention methodology to address 'out-of-course' incidents occurring during the course of a supplier's certification.
- Assessment of a supplier's human factors and competence management as a mandatory element of certification.
- Development of metrics to enable on-going assessment and improvement of supplier and scheme performance.

Sustaining expert resources to support scheme operation and delivery is becoming an increasingly significant challenge. This has led the board to undertake a review of how this can be addressed. The board will, however, continue to promote the scheme to potential new suppliers, while progressing scheme maturity and improvement of supplier performance.

Principal risks

The directors have judged that there are two key risks to RSSB. The first is the departure of the RSSB CEO Chris Fenton. This has been mitigated by the appointment of Mark Phillips, Director of Research and Standards as interim cover.

The second risk is the Office of Rail & Road (ORR) review of RSSB which could impact on the future role and shape of RSSB. This is being mitigated by working collaboratively with the ORR and industry to ensure a successful outcome.

Employee matters

Equal opportunities

RSSB is committed to equality and valuing diversity within its workforce. Our policy is to embrace diversity and promote equality of opportunity. We provide equality of opportunity and will not tolerate discrimination on grounds of gender, marital status, sexual orientation, race, colour, nationality, religion, age, disability, or any other criteria.

Employee involvement

The company recognises the importance of its employees and is committed to effective two-way communication and consultation on matters impacting employees directly. There is a single union agreement in place with the Transport Salaried Staffs' Association

(TSSA) and the company recognises the rights of every employee to join a trade union and participate in its activities. An employee survey is also completed on an annual basis to seek feedback. Employees are encouraged to contribute to the company's performance through the management bonus scheme which recognises and rewards both individual and overall company performance.

Staff are kept up-to-date on a wide range of subjects that affect the business, including progress on business projects, impact of regulatory issues, and wider financial and economic issues that may affect the company. Information is provided using a variety of communication channels including briefing sessions, a staff newsletter (*All Aboard*), and the company intranet.

Financial performance and year end position

Income

RSSB's operating income arises from a mix of membership levies, grants from the Department for Transport and miscellaneous receipts from various goods and services.

Operating income grew by 7% during 2015/16 to £48.7m (2014/15 £45.5m).

The main driver for this increase was income in respect of the R2 membership levy, and for Innovation. In accordance with section 24 of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102), grant funding for this activity is recognised in the Statement of Comprehensive Income when the corresponding expenditure is incurred.

Membership income increased by 2% to £22.1m (2014/15 £21.7m) due to a combination of increases to existing levies as set out in RSSB's constitution and slightly increased membership.

Details on other sources of income are set out in Note 1.

Expenditure

Operating expenditure increased by 4% to £49.1m (2014/15 £47.4m); a breakdown of expenditure is provided in Note 1.

Future Railway activities incurred expenditure approaching £13.4m (2014/15 £11.8m).

Research and Development activities incurred expenditure approaching £9.5m (2014/15 £12m).

Staff costs remained the most significant single element of RSSB's cost base with payroll and other staff costs totalling £25.3m (2014/15 £22.4m).

Loss on ordinary activities

Overall there was an operating loss of £0.4m (2014/15 £1.9m) which was partially increased by the net impact of non-operating income and expenditure such as bank interest and pension related adjustments. The Group loss before tax on ordinary activities was £0.57m (2014/15 £2.18m).

The main driver for this loss was the charge for the year relating to the employers share of the net interest on the defined benefit liability of the pension scheme.

Statement of Financial Position

The Group Statement of Financial Position showed a net asset position of £0.2m at 31/3/2016 compared to a net liability position of £1.8m at 31/3/2015.

Assets

The cost of fixed assets (tangible and intangible) rose to £13.1m (2015 £9.7m) with just over £1.2m incurred on software largely for industry facing items (principally the Rolling Stock Library and Rail Vehicle Records system (R2), and the Safety Management Information System (SMIS+)) plus £1.4m of fit out costs on the new office premises. The net book value of fixed assets rose to £5.4m (2015 £3.1m). Details are given in Note 6 and 7.

Group current assets increased to £84.6m (2015 £63.0m) due to an increase in cash balances to £63.4m (2015 £54.3m). This increase is largely driven by cash received for Innovation activity which has yet to be spent.

Liabilities

The increase in creditors to £76.6m (2015 £52.8m) was driven by an increase in accrued expenditure to £9.8m (2015 £8.6m) and in deferred income to £63.8m (2015 £41.6m). Deferred income is partly made up of membership and R2 levies invoiced in advance and cash received chiefly for Innovation activity but not yet recognised as income which increased to £56.8m (2015 £34.6m).

The combination of these factors led to a decrease in net current assets to £8.0m (2015 £10.2m).

The value of provisions decreased to £0.2m. The three main items were the dilapidations provision on The Helicon, service charge provision relating to Angel Square and the RDDS library closure provision. Details are given in Note 11.

A major impact on the Group Statement of Financial Position arises from the annual valuation of RSSB's section of the Railway Pension Scheme carried out under FRS 102. This showed a net liability position of £13.1m (2015 £14.2m).

By convention RSSB only accounts for 60% of the net liability in line with the shared cost basis of the scheme which had a total net deficit of £21.8m. The applicable discount rate, used to calculate the value of future liabilities has increased slightly from 3.35% to 3.4%.

Note 14 provides greater detail and shows that whereas section assets have increased over the last five years from £53.0m to £76.4m liabilities have also increased from £63.1m to £98.2m.

Income and expenditure reserve

The Statement of Changes in Reserves breaks down the group income and expenditure reserve. Principally it aims to show the recognised surpluses arising on R&D, Innovation (bank interest only) and CIRAS activities.

Other items

The Statement of Other Comprehensive Income, which takes account of the net change in the pension liability, showed a total gain of £1.9m (2014/15 Loss of £4.1m).

Going concern

No material uncertainties that may cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors.

ON BEHALF OF THE BOARD

Mark Phillips Interim Managing Director Date: 08 July 2016

The directors present their report for the year ended 31 March 2016.

Directors

The membership of the Board is set out below. The following directors served during the year:

Executive directors:

- Chris Fenton, Chief Executive (resigned 20 May 2016)
- Anson Jack, Executive Director (resigned 31 May 2015)
- Mark Phillips, Executive Director (appointed 05 May 2016), Interim Managing Director (appointed 26 May 2016)

Industry nominated non-executive directors:

- Jeremy Candfield, nominated by suppliers, Director General, Railway Industry Association (resigned 31 March 2016)
- Paul Kirk, nominated by infrastructure contractors, Paul Kirk and Associates Ltd
- Malcolm Brown, nominated by rolling stock owners, Chief Executive Officer, Angel Trains Ltd
- Charles Horton, nominated by passenger train operators, Chief Executive Officer, Govia Thameslink Railway Ltd
- Graham Hopkins, nominated by Network Rail and other infrastructure managers, Group Safety, Technical and Engineering Director of Network Rail (appointed 01 June 2015)
- Steve Murphy, nominated by passenger train operators, Chief Operating Officer, European Business, MTR Ltd
- Geoff Spencer, nominated by non-passenger train operators, Chief Executive Officer, DB Cargo (UK) Ltd
- Philip Hoare, nominated by suppliers, Group Managing Director, Transportation, UK & Europe Atkins Limited (appointed 08 April 2016)

Independent non-executive directors:

- Anna Bradley, Chairman
- Alan Emery
- Dolores Byrne (appointed 01 April 2015)

Corporate governance

The Board considers that good corporate governance is central to achieving the company's objectives and safeguarding stakeholder interests. The company is also committed to the highest standards of business behaviour.

The Constitution Agreement requires the Board to appoint and maintain an Audit Committee, a Remuneration Committee and an Appointments Committee having the membership and duties as set out below. All three committees shall consist solely of non-executive directors of the company.

Audit Committee

The membership of the Audit Committee consists of not less than three non-executive directors of the company. The Audit Committee reviews the accounting policies and procedures of the company; its internal control systems, including risk management; and its compliance with statutory requirements. It may also consider any matter raised by the external auditors.

Membership of the Audit Committee during the year was:

- Paul Kirk (Chairman)
- Jeremy Candfield (resigned from committee 3 September 2015)
- Malcolm Brown
- Charles Horton (resigned from committee 3 September 2015)
- Dolores Byrne (appointed to committee 3 September 2015)
- Steve Murphy (appointed to committee 3 September 2015)

Remuneration Committee

The membership of the Remuneration Committee consists of not less than three non-executive directors of the company, a majority of whom shall be non-industry directors. The Remuneration Committee considers and makes recommendations to the Board on the remuneration of all executive directors of the company and all senior employees of the company who are not directors and whose annual base salary (excluding employer pension contributions, bonuses, travel expenses, car allowances and other benefits in kind) is in excess of £120,000 per year increased annually from 2013 in line with published inflationary indicators or members of the senior management team and usually associated with the title of 'Director'.

Membership of the Remuneration Committee during the year was:

- Alan Emery (Chairman)
- Anna Bradley
- Jeremy Candfield (resigned from committee 3 September 2015)
- Charles Horton
- Geoff Spencer (appointed to committee 3 September 2015)

Appointments Committee

The membership of the Appointments Committee consists of not less than three non-executive directors of the company (at least two of whom shall be non-industry directors). The Appointments Committee considers and makes recommendations to the Board on the appointment of all directors of the company (other than industry directors) and all senior employees of the company who will not be directors and whose annual base salary (excluding employer pension contributions, bonuses, travel expenses, car allowances and other benefits in kind) will be in excess of £120,000 increased annually from 2013 in line with published inflationary indicators.

Membership of the Appointments Committee during the year was:

- Anna Bradley (Chairman)
- Alan Emery
- Third non-executive director appointed ahead of each meeting

The Audit Committee meets regularly and the Remuneration and Appointments Committees meet as required. All Committees report to the Board.

Results

The results for the year are set out on page 32.

Financial instruments

Treasury operations and financial instruments

The group operates a treasury function which is responsible for managing the interest and liquidity risks associated with the group's activities.

The group's financial instruments are comprised of various financial assets and financial liabilities such as trade debtors, cash, trade creditors and deferred income. The group does not utilise derivative financial instruments.

Interest rate risk

The group is exposed to fair value interest rate risk on its floating rate deposits. The objective of the group in managing interest rate risk is to maximise interest income through placing excess cash resources into fixed term deposits at a fixed rate of return.

Liquidity risk

The objective of the group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The group expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the group will utilise its excess cash resources. Given the cash balance the group is in a position to meet its commitments and obligations as they fall due.

Future developments

The directors have no plans to significantly change the nature of the group's activities.

Directors' responsibilities for the financial statements

The directors are responsible for preparing the financial statements in accordance with applicable laws and regulations.

United Kingdom Company Law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable 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 which 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.

Statement of disclosure to auditors

In so far as the directors are aware:

- There is no relevant audit information of which the company's auditors are unaware.
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The maintenance and integrity of the Rail Safety and Standards Board Limited website is the responsibility of the directors. The work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Auditors

UHY Hacker Young were reappointed as the auditors at the Annual General Meeting held on 12 November 2015, special notice pursuant to Section 485 having been given.

ON BEHALF OF THE BOARD

Mark Phillips   Interim Managing Director   Date: 08 July 2016

We have audited the financial statements of Rail Safety and Standards Board Limited for the year ended 31 March 2016 which comprise the Consolidated Statement of Comprehensive Income, the Group and Company Statement of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Reserves and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 21, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the group's and of the parent company's affairs as at 31 March 2016 and of the group's loss 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Subarna Banerjee (Senior statutory auditor)
for and on behalf of UHY Hacker Young, Statutory Auditor
Quadrant House
4 Thomas More Square
London
E1W 1YW

8 July 2016

COMPANY INFORMATION

Rail Safety and Standards Board Limited (RSSB) is a company limited by guarantee, domiciled and incorporated in England and Wales. The registered office is The Helicon, 4th Floor, 1 South Place, London, EC2M 2RB.

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention in accordance with FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company and the group. Monetary amounts in these financial statements have been rounded to the nearest £'000.

The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2016 are the first financial statements of Rail Safety and Standards Board Limited prepared in accordance with FRS 102. The date of transition to FRS 102 was 1 April 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 19.

The group financial statements consolidate those of the company (RSSB) and of its subsidiary undertaking Railway Documentation and Drawing Services Limited (RDDS) and are drawn up to 31 March 2016.

The company has taken advantage of the exemption in section 408 of the Companies Act 2006 from disclosing its individual statement of comprehensive income.

GOING CONCERN

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

BUSINESS COMBINATIONS

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination the excess is recognised separately on the face of the consolidated statement of financial position immediately below goodwill.

INVESTMENTS IN SUBSIDIARIES

The consolidated financial statements incorporate the financial statements of the company and entities (including special purpose entities) controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

INCOME

Income comprises members' levies, grants from the Department for Transport, and various items of miscellaneous income.

The Constitution Agreement of the company sets out the funding arrangements for members and levies are recognised in the year to which they relate.

RSSB receives several grants from the Department for Transport and their treatment reflects the conditions relating to each grant. For example the Research and Development grant has been recognised fully in the year whereas all Innovation grants are treated as deferred income until the matching expenditure occurs.

The total amount receivable by the company for goods supplied and services provided, excludes VAT and trade discounts.

TANGIBLE FIXED ASSETS AND DEPRECIATION

CAPITALISATION

Expenditure on assets in excess of £500 is capitalised.

DEPRECIATION

Depreciation is calculated to write down the cost less estimated residual value of all fixed assets over their expected useful economic lives. A straight line method of depreciation is used for all assets. The useful economic lives generally applicable are:

Servers	Five years on a straight-line basis
Desktop and laptop computers	Three years on a straight line basis
Fixtures and fittings	Five years on a straight-line basis
Plant and machinery	Five years on a straight-line basis
Leasehold improvements	Over the life of the lease on a straight-line basis

INTANGIBLE ASSETS

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their estimated useful lives, as follows.

Software applications	Four years on a straight-line basis
Safety Management Information System (SMIS) (Software)	Five years on a straight-line basis

Where factors, such as technological advancement or changes in market price, indicate the residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Costs associated with maintaining computer software are recognised as an expense as incurred. Expenditure on software is expensed except for major items over £10k which may be capitalised.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

The internal costs, when measurable, are taken into account in assessing the cost of software assets.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

LEASED ASSETS

All leases are regarded as operating leases and the payments made under them are charged to the income and expenditure account on a straight-line basis over the lease term.

LEASE INCENTIVES

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

TAXATION

The tax expense represents the sum of the tax currently payable and deferred tax.

CURRENT TAX

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of total comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

DEFERRED TAX

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

PROVISIONS

Provisions are recognised when the group has a present obligation arising from a past event, and it is probable that the group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the statement of financial position date, and are discounted to present value where the effect is material.

EMPLOYEE BENEFITS

The group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined benefit pension plans.

SHORT-TERM BENEFITS

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

ANNUAL BONUS PLAN

The group operates a bonus plan for employees. An expense is recognised in the profit and loss account when the group has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

DEFINED BENEFIT SCHEME

Scheme assets are measured at 'fair values'. Scheme liabilities are measured on an actuarial basis using the 'projected unit' method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by the company.

The current service cost and costs from settlements and curtailments are charged against operating profit. Interest on the scheme liabilities and the expected return on scheme assets are included in other finance income. Actuarial gains and losses are reported in the statement of comprehensive income.

FINANCIAL INSTRUMENTS

The group has adopted Sections 11 and 12 of FRS 102 in respect of financial instruments.

FINANCIAL ASSETS

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest rate method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

FINANCIAL LIABILITIES

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies, and deferred income on grants received, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

RESERVE

RSSB's reserve arises from prior surpluses. The funding of these surpluses has different sources which would affect the way the reserve would be allocated if a decision was taken to run it down.

The RSSB Board decided in 2005 that part of the reserve would be clearly linked to Research and Development. Also surpluses arising from DfT grants and CIRAS are restricted in use.

The group separates the income and expenditure reserve into the following activities:

- "Member funded" relates to activities funded by RSSB members.
- "R&D" is a reserve created by the RSSB board in case of a shortfall in funding for R&D activities.
- "R&D grant" consists of surpluses arising on funds provided by the Department for Transport for R&D activities.
- "Innovation" consists of the interest on cash balances held by RSSB for Innovation activities.
- "CIRAS" consists of surpluses arising on CIRAS member funded activities.
- "General" consists of items of a RSSB-wide nature which cannot be allocated to a particular business area chiefly the liability on the pension scheme (see Note 14).

KEY ACCOUNTING ESTIMATES AND ASSUMPTIONS

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

KEY SOURCES OF ESTIMATION UNCERTAINTY

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

IMPAIRMENT OF INTANGIBLE ASSETS (NOTE 6)

The Group considers whether intangible assets are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

PROVISIONS (NOTE 11)

Provision is made for asset retirement obligations, dilapidations and contingencies.

These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

DEFINED BENEFIT PENSION SCHEME (NOTE 14)

The group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, pension increases (CPI measure), increases to deferred pensions (CPI measure), price inflation (RPI measure), asset valuations and the discount rate. Management estimates these factors in determining the net pension obligation in the statement of financial position. The assumptions reflect historical experience and current trends.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2016

	Note	Group Year ended 31 March 2016 £'000	Group Year ended 31 March 2015 £'000
Operating income	1	48,735	45,453
Operating expenses	1/3	(49,123)	(47,400)
Operating (loss) attributable to ordinary activities		**(388)**	**(1,947)**
Interest receivable		273	208
Other finance expense	2/14	(450)	(440)
(Loss) on ordinary activities before taxation		**(565)**	**(2,179)**
Tax	4	(60)	(55)
(Loss) for the year	5	**(625)**	**(2,234)**
Other comprehensive income			
Remeasurement of net defined benefit scheme		2,540	(1,850)
Other comprehensive income for the year		**2,540**	**(1,850)**
Total comprehensive income for the year		**1,915**	**(4,084)**

GROUP AND COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2016

	Note	Group 31 March 2016 £'000	Company 31 March 2016 £'000	Group 31 March 2015 £'000	Company 31 March 2015 £'000
Fixed Assets					
Intangible assets	6	2,905	2,905	2,359	2,359
Tangible fixed assets	7	2,532	2,532	749	749
		5,437	**5,437**	**3,108**	**3,108**
Current assets					
Debtors	9	21,195	21,182	8,678	8,662
Cash at bank	13	63,395	63,293	54,337	54,249
		84,590	**84,475**	**63,015**	**62,911**
Creditors: amounts falling due within one year	10	76,583	76,589	52,825	52,846
Net current assets		**8,007**	**7,886**	**10,190**	**10,065**
Total asset less current liabilities		**13,444**	**13,323**	**13,298**	**13,173**
Provision for liabilities and charges	11	(205)	(149)	(874)	(818)
Retirement benefit schemes	14	(13,080)	(13,080)	(14,180)	(14,180)
Net assets/(liabilities)		**159**	**94**	**(1,756)**	**(1,825)**
Reserve					
Income & expenditure reserve		159	94	(1,756)	(1,825)
		159	**94**	**(1,756)**	**(1,825)**

The financial statements were approved by the Board of Directors on 8 July 2016.

Mark Phillips — Interim Managing Director

Anna Bradley — Chairman

Company registration number 04655675

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016

	Note	Group 31 March 2016 £'000	Group 31 March 2015 £'000
Cash flows from operating activities			
Cash generated from operations	12	12,346	7,638
Taxation paid		(55)	(83)
Net cash inflow from operating activities		12,291	7,555
Investing activities			
Interest received		162	193
Purchase of intangible fixed assets	6	(1,246)	-
Purchase of tangible fixed assets	7	(2,149)	(1,688)
Net cash outflow from investing activities		(3,233)	(1,495)
Net increase in cash and cash equivalents		9,058	6,060
Cash and equivalents at the beginning of the year		54,337	48,277
Cash and cash equivalents at the end of the year		**63,395**	**54,337**
Cash and cash equivalents consists of			
Cash at bank and in hand		63,395	54,337
Cash and cash equivalents		**63,395**	**54,337**

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 MARCH 2016

Group	Member funded	R&D	R&D Grant	Innovation	CIRAS	RDDS	General	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2014	**2,023**	**3,000**	**7,207**	**128**	**541**	**26**	**(11,128)**	**1,797**
Effect of transition to FRS 102	571	-	-	-	-	-	(40)	531
At 1 April 2014 (restated)	**2,594**	**3,000**	**7,207**	**128**	**541**	**26**	**(11,168)**	**2,328**
Profit/(loss) for the year	(190)	-	(2,138)	165	(73)	2	-	(2,234)
Decrease in pension liability	-	-	-	-	-	-	(1,850)	(1,850)
At 1 April 2015	**2,404**	**3,000**	**5,069**	**293**	**468**	**28**	**(13,018)**	**(1,756)**
Profit/(loss) for the year	(679)		(117)	153	22	(4)	-	(625)
Decrease in pension liability	-	-	-	-	-	-	2,540	2,540
Transfer of reserve	1,000	(1,000)	-	-	-	-	-	-
Retained reserves carried forward at 31 March 2016	**2,725**	**2,000**	**4,952**	**446**	**490**	**24**	**(10,478)**	**159**

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 MARCH 2016

Company	**Member funded**	**R&D**	**R&D Grant**	**Innovation**	**CIRAS**	**General**	**Total Company**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
At 1 April 2014	**1,982**	**3,000**	**7,207**	**128**	**541**	**(11,128)**	**1,730**
Effect of transition to FRS 102	571	-	-	-	-	(40)	531
At 1 April 2014 (restated)	**2,553**	**3,000**	**7,207**	**128**	**541**	**(11,168)**	**2,261**
Profi/(loss) for the year	(190)	-	(2,138)	165	(73)	-	(2,236)
Decrease in pension liability	-	-	-	-	-	(1,850)	(1,850)
At 1 April 2015	**2,363**	**3,000**	**5,069**	**293**	**468**	**(13,018)**	**(1,825)**
Profit/(loss) for the year	**(679)**	**-**	**(117)**	**153**	**22**	**-**	**(621)**
Decrease in pension liability	**-**	**-**	**-**	**-**	**-**	**2,540**	**2,540**
Transfer of reserve	**1,000**	**(1,000)**	**-**	**-**	**-**	**-**	**-**
Retained reserves carried forward at 31 March 2016	**2,684**	**2,000**	**4,952**	**446**	**490**	**(10,478)**	**94**

1 INCOME AND EXPENDITURE ON OPERATING ACTIVITIES

Income	**Year ended 31 March 2016**	**Year ended 31 March 2015**
	£'000	**£'000**
Membership Levy*	22,138	21,650
R2 Subscription Levy	1,089	-
New Systems*	-	115
Department for Transport grant for R&D	9,300	9,728
Department for Transport grant for Innovation (Future Railway programme)	13,368	11,753
CIRAS membership levy	1,310	895
RDDS activities	170	152
Close call safety system funding	198	336
RGS Online/Rulebook	113	152
***Supplier assurance services	117	201
**Miscellaneous income	932	471
Total income from operating activities	**48,735**	**45,453**

* During 2014/15 most of New Systems was funded through the membership levy to Network Rail. Previously this was funded directly by invoicing Network Rail.

** This comprises income arising from running training courses, conferences and other ad hoc activities. Some £122k (2015: £132k) of miscellaneous income is attributable to Research and Development.

***In 2014/15 this was classified as RISAS Services. During 2015/16 two new schemes were introduced, RISQS and SAFP.

All income arose from UK operations.

Expenses by activity	**Year ended 31 March 2016**	**Year ended 31 March 2015**
	£'000	**£'000**
Member funded activities	24,053	22,529
Research and Development	9,539	11,998
Future Railway programme	13,368	11,753
Other Innovation	700	-
CIRAS	1,289	970
RDDS	174	150
Total expenses from operating activities	**49,123**	**47,400**

INCOME AND EXPENDITURE ON OPERATING ACTIVITIES (CONTINUED)

Expenditure by function	**Year ended 31 March 2016**	**Year ended 31 March 2015**
	£'000	**£'000**
Staff payroll costs	22,564	20,299
Other staff costs and staff travel	2,707	2,054
Technical support (non-Innovation/R&D)	1,790	2,304
Technical support (Innovation)	1,185	3,454
Investments and Grants (Innovation)	8,416	5,895
Technical services (R&D)	4,767	6,274
Property costs including rent	2,221	2,337
Loss on write off of fixed assets	-	8
IT external expenditure (includes cost of Safety Management Information System and R2)	2,845	2,218
Professional fees including insurance/legal/accountancy/tax	403	405
Publications/events/other media	737	878
Miscellaneous goods and services	233	184
Non-property lease rentals	15	39
Amortisation	697	582
Depreciation	369	319
RDDS	174	150
Total	**49,123**	**47,400**

Auditors' remuneration included above:		
Fees payable for the audit of the group's annual accounts	31	28
Other audit related services including taxation service	5	17
	36	**45**

2 OTHER FINANCE EXPENSES

Analysis of the amount charged to other finance expenses

	Year ended 31 March 2016	Year ended 31 March 2015
	£'000	**£'000**
Net interest on net defined benefit liability	(450)	(440)
	(450)	**(440)**

3 DIRECTORS AND EMPLOYEES

Staff payroll costs during the year were:

	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
Salaries	16,849	15,121
Social security	1,737	1,571
Pension contributions	3,978	3,607
	22,564	**20,299**

	2016	2015
	Number	**Number**
Staff employed	280	252

The average number of staff employed is calculated using the actual numbers of employees at the end of each period and using the total number of periods as the base for calculating the year's average.

DIRECTORS AND EMPLOYEES (CONTINUED)

Remuneration in respect of directors was as follows:

	Year ended 31 March 2016	Year ended 31 March 2015
	£'000	**£'000**
Emoluments	467	732
Amounts paid to third parties in respect of Directors' services	161	107
Pension contributions	34	34
	662	**873**

During the period one director participated in the company defined benefit pension scheme.

The amounts above include remuneration in respect of the highest paid director set out as follows:

	Year ended 31 March 2016	Year ended 31 March 2015
	£'000	**£'000**
Emoluments	385	339
Pension contributions	34	20
	419	**359**

4 TAX ON SURPLUS ON ORDINARY ACTIVITIES

The tax charge is based on the surplus for the period and represents:

	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000
UK corporation tax at 20% (2015: 21%)	60	55
Adjustments in respect of prior years	-	-
Total current tax charge	**60**	**55**

The tax assessed for the year is different from the standard rate of corporation tax in the UK of 20% (2015: 21%). The differences are explained as follows:

Profit on ordinary activities before tax	(565)	(2,179)
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 20% (2015: 21%)	(113)	(458)
Effect of:		
Adjustment for results from not-for-profit activities	174	514
Adjustments in respect of prior years	-	-
Tax losses utilised (RDDS)	(1)	-
Difference in tax rates	-	(1)
Current tax charge for period	**60**	**55**

5 HOLDING COMPANY PROFIT/(LOSS)

Of the £625k group loss for the financial year (2015: group loss of £2,234k), £621k (2015: Loss of £2,236k) is dealt with in the account of the company itself.

RDDS made a loss of £4k for the financial year (2015: Profit of £2k).

The Directors have taken advantage of the exemption available under section 408 of the Companies Act 2006 and not presented an income statement for the company alone.

6 INTANGIBLE FIXED ASSETS

Group and company	**Software**	**Total**
Cost	**£'000**	**£'000**
At 1 April 2015	**6,235**	**6,235**
Additions	1,246*	1,246
Total as at 31 March 2016	**7,481**	**7,481**
Amortisation		
At 1 April 2015	**(3,876)**	**(3,876)**
Amortisation expense for the year	(700)	(700)
Total as at 31 March 2016	**(4,576)**	**(4,576)**
Net Book value at 31 March 2016	**2,905**	**2,905**
Net Book value at 31 March 2015	**2,359**	**2,359**

*Software additions relate to work on SMIS+ (upgrade of the Safety Management Information System) and R2.

7 TANGIBLE FIXED ASSETS

Group and company	Servers	Leasehold Improvement	Desktops & Laptops	Plant & Machinery	Fixtures & Fittings	Total
Cost	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
At 1 April 2015	**963**	**1,664**	**483**	**2**	**357**	**3,469**
Additions	391	1,375*	79	5	299	2,149
Total as at 31 March 2016	**1,354**	**3,039**	**562**	**7**	**656**	**5,618**
Depreciation						
At 1 April 2015	**(882)**	**(1,214)**	**(273)**	**(2)**	**(349)**	**(2,720)**
Depreciation expense for the year	(103)	(123)	(108)	(1)	(31)	(366)
Total as at 31 March 2016	**(985)**	**(1,337)**	**(381)**	**(3)**	**(380)**	**(3,086)**
Net Book value at 31 March 2016	**369**	**1,702**	**181**	**4**	**276**	**2,532**
Net Book value at 31 March 2015	**81**	**450**	**210**	**-**	**8**	**749**

* Leasehold Improvement additions relate to fit-out works on the new office premises.

8 FINANCIAL INSTRUMENTS

	Group 31 March 2016	Company 31 March 2016	Group 31 March 2015	Company 31 March 2015
	£'000	**£'000**	**£'000**	**£'000**
Carrying amount of financial assets				
Debt instruments measured at amortised cost	83,223	83,113	61,802	61,698
Carrying amount of financial liabilities				
Measured at amortised cost	66,706	66,727	44,170	44,193

FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management

The group is exposed two main areas of risk – interest rate risk and liquidity risk. The group utilises a treasury function in order to manage these risks. The group's financial instruments are comprised of various financial assets and financial liabilities such as trade debtors, cash, trade creditors and deferred income. The group does not utilise derivative financial instruments.

Interest rate risk

The group is exposed to fair value interest rate risk on its floating rate deposits. The objective of the group in managing interest rate risk is to maximise interest income through by placing excess cash resources into fixed term deposits at a fixed rate of return.

Liquidity risk

The objective of the group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The group expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the group will utilise its excess cash resources.

9 DEBTORS

	Group	Company	Group	Company
	31 March 2016	31 March 2016	31 March 2015	31 March 2015
	£'000	£'000	£'000	£'000
Trade debtors*	18,640	18,632	7,304	7,288
Other debtors	1,188	1,188	161	161
Prepayments and accrued income	1,367	1,362	1,213	1,213
	21,195	**21,182**	**8,678**	**8,662**

*Trade debtors include £6.0m of invoiced RSSB member levies relating to 2016/17 (2015/16: £6.7m). Trade debtors have increased due to an £8m invoice raised to the Department for Transport and £3.2m raised to Network Rail in March 2016.

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 31 March 2016 £'000	Company 31 March 2016 £'000	Group 31 March 2015 £'000	Company 31 March 2015 £'000
Trade creditors	2,304	2,289	2,158	2,158
Corporation tax	71	71	66	65
Other taxation and social security costs	563	563	384	384
Inter-company creditor	-	36	-	23
Accruals	9,806	9,791	8,589	8,588
Deferred income	63,839	63,839	41,628	41,628
	76,583	**76,589**	**52,825**	**52,846**

Accruals and deferred income comprises:

- Accruals for cost of work done but not yet invoiced £6,482k (2015: £6,483k) and staff pay and holiday pay £2,183k (2015: £2,106k).
- Cash held on behalf of third parties £224k (2015: £74k) and deferred income £63,615k (2015: £41,554k). The increase is largely due to grants received but not yet recognised on Innovation activity.

Deferred income relates to member funding and R2 subscription levies for 2016/17 that has already been invoiced (£6.8m). This arises because member funding and R2 levies are payable quarterly (or annually) in advance so invoices relating to 2016/17 were invoiced in the last quarter of 2015/16.

Deferred income also includes £56.8m (2015: £34.6m) of DfT grant funding for Innovation and R&D received but not yet recognised as the corresponding expenditure, though planned, has yet to occur.

11 PROVISIONS FOR LIABILITIES AND CHARGES

	Company	RDDS Library	Group
	£000	£000	£000
At 1 April 2015	**818**	**56**	**874**
Provision in the period	(669)	-	(669)
As at 31 March 2016	**149**	**56**	**205**

DILAPIDATIONS

RSSB has a lease in The Helicon until the start of 2025. The estimated liability arising from the make good requirement in the lease for The Helicon is £450k. RSSB has started to provide for the potential cost of the make good requirement in the lease of the new office premises and this is spread over the life of the lease.

PROPERTY LIABILITIES

A sum of £63k property related provisions have been made in relation to service charges on the property at Angel Square.

RDDS LIBRARY

The provision raised represents the RDDS directors' best estimate of the costs of closing the RDDS library which is expected to include the proper packaging and orderly transportation of the drawings and documents to a third party and/or their destruction. This is not expected to be before 2031. No further provision has been made in 2015/16, as the directors of RDDS believe the current provision is sufficient to cover the closure costs of the library.

12 NET CASH INFLOW FROM OPERATING ACTIVITIES

	Group 31 March 2016 £'000	Group 31 March 2015 £'000
Operating loss	(388)	(1,947)
Depreciation and amortisation	1,066	901
Loss on write off of fixed assets	-	8
Increase in debtors	(12,406)	(628)
Increase in creditors	23,753	8,453
Difference between pension charge and cash contributions	990	840
(Decrease)/Increase in provisions	(669)	11
Net cash inflow from operating activities	**12,346**	**7,638**

13 CASH AT BANK AND IN HAND

CASH

Group cash balances of £63.4m (2015: £54.3m) include cash received in advance of £56.2m (2015: £34.6m).

14 RETIREMENT BENEFIT SCHEMES

Information about the Scheme

- The Rail Safety and Standards Board Section is part of the Railways Pension Scheme, but its assets and liabilities are identified separately from the remainder of the Scheme.
- The Scheme is a defined benefit final salary scheme and is open to new members.
- The Scheme is a shared cost arrangement whereby the company is only responsible for a share of the cost (60%).
- Employer contributions are 13.07% (2014/15: 15%) of Section Pay (60% of the long-term future service joint contribution rate determined at the 31 December 2013 valuation).

There were a number of changes to the scheme in 2015/16 due to changes to tax and pension legislation:

- Increasing the minimum age from which members can take an unreduced pension from 60 to 65 was implemented with effect from 1 April 2016 for service built up from 1 April 2016.
- Salary exchange offer for those members directly affected by Lifetime and Annual allowance limits.
- Change in contribution rates to offset the increased National Insurance contributions arising from the end of the State Second Pension (formerly SERPS).

RETIREMENT BENEFIT SCHEMES (CONTINUED)

FINANCIAL ASSUMPTIONS

The assumptions provided and used by the actuary are set out in the table below.

	31 March 2016	31 March 2015
	% pa	% pa
Discount rate	3.40	3.35
Price inflation	2.90	2.95
Increases to deferred pensions (CPI measure)	1.90	1.95
Pension increases (CPI measure)	1.90	1.95
Salary increases *	1.90	1.95

* plus 0.40% pa promotional salary scale at 31 March 2016 and 0.4% at 31 March 2015

FAIR VALUE OF ASSETS AND EXPECTED RATE OF RETURN

	At 31 March 2016	At 31 March 2015
	Fair value	Fair value
	£'000	£'000
Equities	60,270	71,250
Government Bonds	15,810	560
Non-Government Bond	-	1,200
Other assets	280	250
Total	**76,360**	**73,260**

RETIREMENT BENEFIT SCHEMES (CONTINUED)

PENSION SCHEME LIABILITY AT THE END OF THE YEAR

	Year ended 31 March 2016	Year ended 31 March 2015
	£'000	£'000
Actuarial valuation of pension liabilities	(98,160)	(96,900)
Members' share of deficit	8,720	9,460
Adjusted value of section liabilities	**(89,440)**	**(87,440)**
Closing value of section assets	76,360	73,260
Pension scheme liability to be recognised in the statement of financial position	**(13,080)**	**(14,180)**

RECONCILIATION OF PENSION SCHEME LIABILITY

	Year ended 31 March 2016	Year ended 31 March 2015
	£'000	£'000
Opening pension scheme liability	(14,180)	(11,050)
Employer contributions	1,810	1,630
Employer's share of service cost and admin costs	(2,800)	(2,470)
Employer's share of net interest cost on net DBL	(450)	(440)
Actuarial (loss)/gain recognised in the OCI	2,540	(1,850)
Closing liability	**(13,080)**	**(14,180)**

RETIREMENT BENEFIT SCHEMES (CONTINUED)

COMPONENTS OF DEFINED BENEFIT COST

	Year ended 31 March 2016	Year ended 31 March 2015
	£'000	£'000
Current service cost	2,710	2,400
Employers share of administration costs	90	70
Total charged to operating profit	**2,800**	**2,470**
Analysis of the amount charged to other finance charge:		
Employer's share of net interest on net defined benefit asset	(450)	(440)
Net debit to other finance charge	**(450)**	**(440)**

The following two tables show the movement in the assets and the liability of the Section as a whole. Some of the figures therefore differ from those in the other disclosures, which reflect the company's share of the costs and liabilities associated with the Section

Reconciliation of Section liabilities	Year ended 31 March 2016	Year ended 31 March 2015
	£'000	£'000
Opening Section liabilities	96,900	81,100
Service cost	4,490	3,970
Interest cost	3,210	3,440
(Gain)/loss on Section liabilities	(3,980)	10,540
Actual benefit payments	(2,460)	(2,150)
Closing Section liabilities	**98,160**	**96,900**

RETIREMENT BENEFIT SCHEMES (CONTINUED)

Reconciliation of value of assets	**Year ended 31 March 2016**	**Year ended 31 March 2015**
	£'000	**£'000**
Opening value of Section assets	73,260	62,680
Interest income on assets	2,460	2,700
Return on plan assets greater/(less) than discount rate	260	7,400
Employer contributions	1,810	1,630
Employee contributions	1,180	1,110
Actual benefit payments	(2,460)	(2,150)
Administration costs	(150)	(110)
Closing value of Section assets	**76,360**	**73,260**

Analysis of the amounts recognised in the Statement of Other Comprehensive Income	**Year ended 31 March 2016**	**Year ended 31 March 2015**
	£'000	**£'000**
Gain/(Loss) on pension assets	150	4,440
Gain/(Loss) on pension liabilities	2,390	(6,290)
Total gain/(loss) recognised in OCI	**2,540**	**(1,850)**

RETIREMENT BENEFIT SCHEMES (CONTINUED)

Historic information

	Year ended 31 March 2016 £'000	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000	Year ended 31 March 2013 £'000	Year ended 31 March 2012 £'000
Section liabilities	(98,160)	(96,900)	(81,100)	(79,410)	(63,070)
Section assets	76,360	73,260	62,680	58,740	53,000
Deficit	(21,800)	(23,640)	(18,420)	(20,670)	(10,070)
Experience (gain)/loss on Section liabilities	(2,390)	6,290	(280)	(100)	2,610
Experience (gain)/loss on Section assets	(150)	(4,440)	710	(690)	1,460

15 LEASING COMMITMENTS

The total cost of operating leases classified by expiry date is:

	Year ended 31 March 2016		Year ended 31 March 2015	
	Other	Land and buildings	Other	Land and buildings
	£'000	£'000	£'000	£'000
In one year or less	14	907	15	907
Between one and five years	-	3,627	14	3,627
More than five years	-	3,400	-	4,307
	14	**7,934**	**29**	**8,841**

16 TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

RSSB is a member owned company set up to provide services to the GB rail industry. Many of RSSB's transactions are with its members, particularly with Network Rail. Most board members are appointed from within the industry and hence work for companies with which RSSB transacts again particularly Network Rail. However our board members from member companies play no role in selecting suppliers in the award of contracts to particular parties.

The Directors are confident that sufficient governance is in place to ensure an objective process in the selection of suppliers.

Directors are also asked to declare their interests at Board meetings and to keep the company secretary informed of any likely interests which may affect their legal duty to act in the best interests of RSSB.

17 CAPITAL COMMITMENTS

As at 31 March 2016, RSSB had entered into capital commitments of approximately £2.7m relating to the SMIS+ project (upgrade of the Safety Management Information System) and £547k relating to R2.

18 POST BALANCE SHEET EVENTS

There have been no post balance sheet events to report.

19 TRANSITION TO FRS 102

This is the first year that the group and company have presented its results under FRS 102. The last financial statements prepared under the previous UK GAAP were for the year ending 31 March 2015. The date of transition to FRS 102 was 1 April 2014. Set out below are the changes in accounting policies which reconcile profit for the financial year ending 31 March 2015 and the total reserves as at 1 April 2014 and 31 March 2015 between UK GAAP as previously reported and FRS 102.

1. Holiday pay accrual

Prior to applying FRS 102, RSSB, did not make provision for holiday pay (i.e. holiday earned but not taken prior to the year-end). FRS 102 requires the cost of short-term compensated absences to be recognised when employees render the service that increases their entitlement. Consequently an additional accrual of £248k at 1 April 2014 has been made to reflect this. The additional provision at 31 March 2015 is £358k and the effect on the loss for the year ended 31 March 2015 is an increase in expenses of £110k.

2. Defined benefit scheme

Under previous UK GAAP the group recognised an expected return on defined benefit plan assets in the profit and loss account. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in the profit and loss account. For the year ended 31 March 2015, the group has recognised an additional net interest cost of £700k. The defined benefit liability has decreased by £780k at 1 April 2014 and £850k at 31 March 2015. This is due to FRS 102 excluding future plan capitalised administration expenses from the defined benefit obligation (DBO). These administration expenses incurred over the year have been separated and have resulted in an increase in operating expenses for the year ended 31 March 2015 of £120k.

3. Intangible assets

Software applications and Safety Management Information System (SMIS) Software, with a net book value of £1,903k at 1 April 2014, has been reclassified from tangible to intangible assets as required under FRS 102. This has no effect on the group's net assets nor on the profit for the year, except that the previous depreciation charge is now described as amortisation. The amount reclassified at 31 March 2015 was £2,359k.

STATEMENT OF OTHER COMPREHENSIVE INCOME

	Note	As previously stated	Effect of Transition	FRS 102 (as restated)
		£'000	£'000	£'000
Operating income	1	45,453	-	45,453
Operating expenses	1/3	(47,170)	(230)	(47,400)
Operating (loss) attributable to ordinary activities		**(1,717)**	**(230)**	**(1,947)**
Interest receivable		208	-	208
Other finance income (expense)	2/14	260	(700)	(440)
Loss on ordinary activities before tax		**(1,249)**	**(930)**	**(2,179)**
Tax	4	(55)	-	(55)
Loss for the year	5	**(1,304)**	**(930)**	**(2,234)**
Other comprehensive income				
Remeasurements of net defined benefit scheme		**(2,740)**	**890**	**(1,850)**
Other comprehensive income for the year		**(2,740)**	**890**	**(1,850)**
Total comprehensive income for the year		**(4,044)**	**(40)**	**(4,084)**

BALANCE SHEET – GROUP

	Note	At 1 April 2014			At 31 March 2015		
		As previously stated	Effect of transition	FRS 102 (as restated)	As previously stated	Effect of transition	FRS 102 (as restated)
		£'000	£'000	£'000	£'000	£'000	£'000
Fixed Assets							
Intangible assets	6	-	1,903	1,903	-	2,359	2,359
Tangible fixed assets	7	2,329	(1,903)	426	3,108	(2,359)	749
		2,329	-	2,329	3,108	-	3,108
Current assets							
Debtors	9	8,035	-	8,035	8,678	-	8,678
Cash at bank	13	48,277	-	48,277	54,337	-	54,337
		56,312	**-**	**56,312**	**63,015**	**-**	**63,015**
Creditors: amounts falling due within one year	10	(44,151)	(249)	(44,400)	(52,467)	(358)	(52,825)
Net current assets		**12,161**	**(249)**	**11,912**	**10.548**	**(358)**	**10,190**
Total asset less current liabilities		**14,490**	**(249)**	**14,241**	**13,656**	**(358)**	**13,298**
Provision for liabilities and charges	11	(863)	-	(863)	(874)	-	(874)
Pension liability	14	(11,830)	780	(11,050)	(15,030)	850	(14,180)
Net assets		**1,797**	**531**	**2,328**	**(2,248)**	**492**	**(1,756)**
Reserve							
Income & expenditure reserve		1,797	531	2,328	(2,248)	492	(1,756)
		1,797	**531**	**2,328**	**(2,248)**	**492**	**(1,756)**

BALANCE SHEET - COMPANY

	Note	At 1 April 2014			At 31 March 2015		
		As previously stated	Effect of transition	FRS 102 (as restated)	As previously stated	Effect of transition	FRS 102 (as restated)
		£'000	£'000	£'000	£'000	£'000	£'000
Fixed Assets							
Intangible assets	6	-	1,903	1,903	-	2,359	2,359
Tangible fixed assets	7	2,329	(1,903)	426	3,108	(2,359)	749
		2,329	**-**	**2,329**	**3,108**	**-**	**3,108**
Current assets							
Debtors	9	8,001	-	8,001	8,662	-	8,662
Cash at bank	13	48,147	-	48,147	54,249	-	54,249
		56,148	**-**	**56,148**	**62,911**	**-**	**62,911**
Creditors: amounts falling due within one year	10	(44,107)	(249)	(44,356)	(52,488)	(358)	(52,846)
Net current assets		**12,041**	**(249)**	**11,792**	**10,423**	**(358)**	**10,065**
Total asset less current liabilities		**14,370**	**(249)**	**14,121**	**13,531**	**(358)**	**13,173**
Provision for liabilities and charges	11	(810)	-	(810)	(818)	-	(818)
Pension liability	14	(11,830)	780	(11,050)	(15,030)	850	(14,180)
Net assets		**1,730**	**531**	**2,261**	**(2,317)**	**492**	**(1,825)**
Reserve							
Income & expenditure reserve		1,730	531	2,261	(2,317)	492	(1,825)
		1,730	**531**	**2,261**	**(2,317)**	**492**	**(1,825)**

STATEMENT OF CHANGES IN RESERVES – GROUP

	As previously stated £'000	Effect of transition £'000	FRS 102 (as restated) £'000
Balance as at 1 April 2014	**1,797**	**531**	**2,328**
Loss for the year	(1,304)	(930)	(2,234)
Other comprehensive income for the year	(2,740)	890	(1,850)
Total comprehensive income for the year	(4,044)	(40)	(4,084)
Balance as at 31 March 2015	**(2,248)**	**492**	**(1,756)**

STATEMENT OF CHANGES IN RESERVES – COMPANY

	As previously stated £'000	Effect of transition £'000	FRS 102 (as restated) £'000
Balance as at 1 April 2014	**1,730**	**531**	**2,261**
Loss for the year	(1,306)	(930)	(2,236)
Other comprehensive income for the year	(2,740)	890	(1,850)
Total comprehensive income for the year	(4,046)	(40)	(4,086)
Balance as at 31 March 2015	**(2,317)**	**492**	**(1,825)**

20 SUBSIDIARIES

Details of the company's subsidiary at 31 March 2016 is as follows:

Name of undertaking	Country of incorporation	Holding (per share class)	Type of shares held	Nature of business
Railway Documentation and Drawing Services Limited	England and Wales	100%	Ordinary shares	Custodian of the Traction and Rolling Stock library

21 CONTROL

The company is not under the control of any one entity or individual.