



GREAT CENTRAL RAILWAY PLC
DIRECTORS' REPORT AND STATEMENT OF ACCOUNTS

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GREAT CENTRAL RAILWAY PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2010

PRINCIPAL ACTIVITIES

The Company's principal aim is to re-create, for present and future generations, the experience of British main line railway operation during the best years of steam locomotives. The Great Central Railway is open to visitors daily throughout the year with scheduled steam passenger trains and Restaurant Car services every weekend as well as during public holidays (including Christmas Day) and selected Summer weekdays.

The Company currently enjoys "non profit distribution status", and its Memorandum & Articles of Association prohibit the payment of dividends or distributions to shareholders.

REVIEW OF THE YEAR

The Directors are pleased to report the steady progress of the Great Central Railway PLC (GCR PLC) during this important year - the 40th year since the closure of the line by British Rail. Despite the uncertain economic situation, much effort has been invested in attracting testing work, filming work and additional revenue streams in addition to our 'routine' heritage railway operation. This has resulted in the railway being extremely busy. Led from the front by the energetic Bill Ford, with the support of his family, the efforts to secure, operate and at the same time develop the business are demanding.

That such a relatively small company should require such concentration of effort puts it in a substantially different league from more usual commercial operations. Our turnover puts us in the league of a small to medium sized enterprise. However, the complexity of what is being achieved on a day to day basis is staggering.

In the words of Bill Ford, team work is everything. Without it the railway cannot survive. As Directors, let us make our unremitting appreciation of our largely volunteer management team absolutely clear at the start of this report. More than that, a fulsome tribute has to be paid to those who turn out at all hours, social and otherwise, day in and day out, in all weathers, to recreate and inspire, educate and entertain. There would be no railway without their fundamental drive.

The objectives of the business remain straightforward; increasing turnover, cutting or at least containing costs, ensuring safety and other essential compliance with regulations. To expand on those themes, balancing income and expenditure is critical. Over the variations of a season it often appears like a minefield. Unseen, unglamorous but essential work continues to ensure the safety of our railway through the operations and infrastructure sub committees. The health of the business and its compliance with modern legislation is also under constant review. This work is carried out almost entirely by volunteer managers.

To that must be added the constant duty of care and delivery of a quality product with a smile to a sometimes indifferent or critical public. Towards the latter, in 2009 a number of 'front facing' improvements were finally implemented. New toilet facilities at Loughborough, a lift for the station and a canopy at Leicester North. The overall effort is generating more satisfaction. Take for instance the canopy. More than a fancy umbrella, its construction has inspired more volunteers to give their time at our southern terminus. Investment generates pride. This is indeed an enterprise that is going "Forward!"

The combined effect is not wasted on our stakeholders. They recognise not only are we presenting a public entertainment, but a valuable community focus and economic driver. Key commercial players are being increasingly convinced. The local authorities and the rail and related industries see that there is real business to be done with us. Of course it is still a massive balancing act, between the purist heritage enthusiasts and those that have to find the means of supporting a highly diverting and enjoyable hobby. It is such as the A1 Tornado relationship, which has raised not only the public's perception but also the eager anticipation of a quality event each time GCR PLC announces a Gala.

GREAT CENTRAL RAILWAY PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2010

(continued)

If success breeds success, we are pleased to hear from our partners, the Friends of the Great Central Main Line (FoGCML) that membership numbers are on the rise, and there is a steady flow of donations into the David Clarke Railway Trust (DCRT). The partnership, long laboured in its establishment is working very well. Together with GCR PLC, FoGCML and DCRT provide invaluable support to the GCR enterprise.

All three organisations have to some degree changed and enhanced their management teams during the year. In the case of DCRT and GCR PLC new investors have come onboard, providing welcome funding and expertise.

An example of how we have worked together was the purchase of the former GCR Goods Office – now called Lovatt House. The GCR PLC identified a need for the space and opened up discussions with local funding stakeholders. DCRT (and in particular Malcolm Freckelton) co-ordinated the appeal and purchase process with invaluable campaigning support from FoGCML.

This has not just secured this historic building from potential demolition but, in mid 2010, will become the vital centre of the GCR business operations. Charnwood Borough Council, Leicester Shire Economic Partnership, Leicester Shire Promotions and the East Midlands Development Agency all supported the purchase with grant funding and advice. Elsewhere in 2009 the GCR PLC has been able to win other funding through the year from Biffaward and Veolia Environmental Trust (to name but two) towards the improvements which have taken place. We would like to publicly thank all of our funders and hope we have demonstrated how money has been spent wisely, promptly and promises delivered.

This is an important area where we are learning. Chasing grants takes time, effort and will be vital for other future aspirations.

Previous investments are performing well. The Ellis tea room is now in its second full year and proving very popular. The income it provides is very welcome indeed. In the fullness of time a sympathetic extension will be built subject to planning permission.

Track, signalling and the infrastructure have been and will be increasingly the biggest demands for investment. During last year a decision was made to invest in upgrading our permanent way to enable 75mph diesel testing. A large contract was attracted for noise and slip testing, and enquiries continue. As shown by the A1 trials, steam testing at 60mph is another important revenue stream which we continue to promote to interested parties.

The dedication of the highly talented Signal & Telegraph (S&T) team is seen in the relentless advance of the GWR signalling scheme at Swithland, so much a personal love of the late David Clarke, to create the atmosphere of the GWR/GCR joint lines. The opening of the signalbox is almost in sight. More than 'just another box' this essential boost to capacity will allow more flexible commercial operation. For example, charter trains can be stabled in the loops while general passenger services continue. Much praise is also due to the team working to reopen the Mountsorrel branch line which will considerably enhance the scene.

GREAT CENTRAL RAILWAY PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2010

(continued)

The transformation of the year for the Company has been at the Locomotive Shed. Following on from the triumph of returning Oliver Cromwell to steam for the 40th anniversary of the 1968 '15 Guinea Rail Tour', further high standard restorations have been completed. The N2 locomotive owned by the Gresley Society is a case in point. To complete the work on the engine the Directors gratefully acknowledge a generous donation from a supporter. Without this boost it is doubtful the locomotive would be in steam. The end of work completes a long outstanding agreement with the owners and again, thanks to the effort of Bill Ford our relationship with them is also now restored! Of course, the physical work itself has been led by Craig Stinchcombe and a team of highly trained engineers. Our pride in them is reflected in their pride in their work. In turn the rest of the heritage railway industry recognises our skill base and regularly requests support, which in turn is another useful income stream. We see growth in this sector in the future.

We were also honoured to host the Fairburn Tank during the year, a number of other high profile visiting engines and let us not overlook the completion of LMS Jinty number 47406. Our congratulations are extended to Roger Hibbert for another (!) successful restoration.

We should not forget the diesel fleet. The 4BIG unit returned to traffic proving itself a worthy attraction and valuable people mover. All our resident owning groups, whatever motive power or rolling stock they contribute are welcome partners. We look forward to continuing to work with them for our mutual benefit.

Next year's narrative will undoubtedly include reference to the new Pullman charter train. The first two vehicles were completed outside of the time referenced in this report but do underline the work in hand at our carriage and wagon workshops. Efforts continue to ensure our carriages are well presented. Some of our recent restorations are of a very high quality. It is acknowledged there is a lot of work to do on some vehicles.

FINANCIAL RESULTS

Turning now to the financial results. The hard work of our team has resulted in an £8,000 profit. Small but essential and a far better position than trading at a loss. Much cash-flow in has been swallowed up in vital infrastructure investment this year. As a 'not for profit' (non dividend paying) organisation it is right our money is put straight back into protecting the railway. A slow down in share sales represented by £55,000 sold this year (last year £148,000). Against the economic background this is understandable but share sales must be recovered to fund investment.

Basic comestibles like coal and diesel continue to rise in price. A recurring theme is the need to 'run a little faster' every year just to stand still in financial terms.

Fortunately our growing special events reputation has led to some very well attended galas which provide essential spikes in the company income. A team of two full time marketing and sales professionals has been appointed. Their task is to drive up the value of our commercial activity. Already dining train bookings appear to be benefitting. In the year ahead we hope for more but it can't be taken for granted.

Primary income sources continue to be passenger receipts, dining and griddle fares, driver experience and the ability of the Company to attract third party use of the line for filming, testing or commissioning of equipment and training. During 2009, the Army visited the railway twice for personnel training. Loughborough Central was selected for a major filming contract playing the title role in the Ricky Gervais film 'Cemetery Junction'.

There is of course one other significant development to report on. A future expanded, reconnected Great Central Railway has been an often discussed aspiration. The Heritage Corridor vision is a swathe of North Leicestershire and South Nottinghamshire, (embracing all the local attractions, businesses and facilities) as a clearly identified tourist destination, linked by our heritage main line, its two current halves reunited.

GREAT CENTRAL RAILWAY PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2010

(continued)

Thanks to the determined and positive lead by Charnwood Borough Council and the support of the East Midlands Development Agency, the funding of an in depth investigation of future prospects was approved as being relevant on a regional basis, to boost tourism, employment, and investment. A great number of hours were spent with the appointed international consultants Atkins to assess "Bridging the Gap" and the prospects of extending the line to the North and South. The results of the study will be open to public debate in mid 2010. Be assured however, that the case for reconnecting the two truncated sections in cost benefit terms is very strong.

It is an unfortunate fact that the recession overtook the preparations for the Atkins assessment and could well have stalled the whole process. However the team engaged in the Greater Great Central Railway Development Group, (as it was tagged), have spread the word progressively across the rail industry and other sectors. Confidence is high that there will be continuing advance towards that reconnection. The GCR PLC and the GCR(N) are engaged in discussions about how to proceed for the benefit of both parties. Commercially it is understood two developing railways so close together will ultimately be in competition either for visitors or clients.

Challenges undoubtedly lie ahead of making a physical connection. Realistic, constructive discussions can pave the way.

THE FUTURE

2010 is to be a year of uncertainties as far as income is concerned, but the investment plans continue, thanks to the fundamental support of key Directors and of the David Clarke Railway Trust.

The reluctant decision was taken that the terms offered to enable Thomas events to continue were too one sided. It was very disappointing that Thomas and Friends have been increasingly withdrawn from the next and future generations, a route that Revd W. Audrey would have deprecated. The fact is that the franchise terms are now excessively onerous. We can stage other events more effectively and with greater reward. So there will be further reliance on Ivor the Engine as a substitute.

We have been delighted with a return visit of the astonishing "Tornado" to boost the Easter Gala, connecting with the highly generous sponsorship by Cromwell Tools of the GCR's new "Pullman" dining set which has now seen the launch of Bar Car and First Class diner. More vehicles are to follow and together with the new meeting facilities at Lovatt House the GCR PLC can significantly expand its offering to the corporate market. The range of current dining train services has also been expanded.

The results of further investment will soon be evident. There will be a fanfare for the opening of Lovatt House, skilfully and impressively restored. In addition, the Loughborough Station Canopy will be showing the first very positive signs of the appeal for funds, firstly to restore the end bays and, depending upon incoming donations and grants available post Election, the works will expand on this. This is after all, the largest canopy of this type on a heritage railway. We urge all shareholders to make a donation to the canopy appeal, on line or via a leaflet which can be picked up from any station. Standing orders are an excellent way of giving a little every month but making a big contribution. Working together with our partners we can make the canopy Loughborough's crowning glory.

At Quorn and the station yard, subtle development will increase the sometimes overly open and windswept space, with the construction of new but GCR-style tea and function rooms. A larger impact on the scene will be in the shape of the 60 ft diameter turntable, obtained from York. Both these are expected to more than earn their keep.

GREAT CENTRAL RAILWAY PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2010

(continued)

There are however needs within the finances of the Company to build up a contingency fund to cover some of the potentially more expensive repairs and renewals common to all historic railway infra-structure. Just as the canopy is being tackled now, other sizeable refurbishment projects will follow.

All involved at the railway however look forward with cautious optimism. With care and hard work the finances will continue to improve and the prospects for development will become increasingly feasible. However, much will depend upon the state of the UK economy over the immediate and the next 3 year period, as to whether the more massive goals can be achieved. There is plenty of will. However, once the Atkins recommendations have been fully absorbed and the implications understood, the funding requirements for Bridging the Gap are considerable and will require not only skilful and persistent negotiation but a great deal of commercial acumen and management.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks to the performance of the Railway are:

- Visitor attendance and commercial usage
- Reliability of the operation
- Safety of the operation
- Financial stability
- Availability of volunteer labour

The primary revenues of the Railway are derived from visitor attendance. The levels of attendance can be affected by factors inside and outside the control of the Railway. Our active marketing function continually seeks to define and promote interesting events which will appeal to the visiting public, often themed around railway or other popular topics. It is also the intention of the Board to diversify our customer base to include increased railway industry testing, staff training, competence and other work, which both uses our assets, previously unused during the normal working week, and attracts additional revenues unrelated to public appeal, popular fashion or the vagaries of the weather.

This report covers the work focused on our operation. Running a reliable clock-face timetable is a focus of paramount importance and significant resource is directed to this end.

Similarly, the operation of the dedicated Safety Committee (see below) led by the recent new Board member Dr Eric Smith, means that a professional and independently-led safety assessment is maintained covering the entire GCR enterprise.

The Railway is operated by a combination of paid and volunteer staff. The continuing and increased input of volunteers is vital in maintaining the desired levels of activity and variety in operation. The membership organisation the FOGCML continues to focus on maintaining and increasing its membership levels and, through that, promoting volunteer input. A significant challenge in future years will be the ageing demographic of the membership and thereby the operating team. The board is considering how to approach this problem to secure the GCR's future.

GREAT CENTRAL RAILWAY PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2010

(continued)

KEY PERFORMANCE INDICATORS (KPI's)

Operational and safety performance is continually monitored and is contained within proper and professional tolerances.

The on-going critical performance of the operation is basically financial, in particular it is measured by:

- Trading profits;
- Cash flow; and
- The management of debt owed by the Railway.

BOARD CHANGES

We welcome Dr E.H. Smith, who was appointed as a director after the year end.

SAFETY COMMITTEE

The Company's Safety Committee, comprising representatives from all areas of the railway, meets quarterly under the leadership of Safety Manager, Dr. Eric Smith, to review and monitor all aspects of safety management. The Board acknowledges the commitment of the Safety Manager and his team to a safely operated railway and has strengthened this commitment by the appointment of long-serving director, Ros Marsh, as the Board's Specific Representative for Safety. All staff and volunteers are encouraged to ensure that their department is represented at meetings of the Safety Committee.

ENVIRONMENTAL POLICY

The route of the Company's railway provides a wildlife habitat which is managed by the Company's staff in consultation with the Charnwood Wildlife Project and other interested agencies. Various areas have developed as rich havens for many wild species of flora and fauna and a substantial programme of boundary maintenance is ongoing. The Company also liaises with the relevant local authorities to ensure that best practices are adhered to with regard to the emission of smoke and noise.

MEMBERSHIP OF TRADE ASSOCIATIONS

The Company is a corporate member of The Heritage Railway Association, The Leicestershire Chamber of Commerce and Industry, Leicester Shire Promotions, and the Loughborough Chamber of Trade and Commerce.

TANGIBLE FIXED ASSETS

The movement in tangible fixed assets during the year is set out in note 6 to the accounts.

GREAT CENTRAL RAILWAY PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2010

(continued)

DIRECTORS

The directors and their interests (including family interests) in the shares of the Company were as follows:

	1 February 2009 or date of appointment	31 January 2010 or date of resignation
K Byass	-	-
M Gregory	100,000	100,480
G Hanson	50,000	50,000
N Harris	10,160	10,640
T A Ingall	1,780	2,340
R H Marsh	3,996	4,505
D T Morgan	44,000	54,000
R J Patching	69,360	109,360
M J Sheppard	11,432	11,672
A C Sparks	800	800
E H Smith (appointed 17 April 2010)	-	-
R Tilden Smith	8,000	8,480

At the date of this report, the following Board positions are held by directors:
Chairman: D T Morgan; Deputy Chairman: R H Marsh.

None of the directors had a beneficial interest in any significant contract to which the Company was a party during the year. The Company maintains liability cover for directors.

DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 and then apply them consistently;
- make judgements 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.

GREAT CENTRAL RAILWAY PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2010

(continued)

DIRECTORS' RESPONSIBILITIES (continued)

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.

STATEMENT OF DISCLOSURE TO AUDITORS:

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

ISSUE OF SHARES

220,504 shares of 25p each have been allotted during the year ended 31 January 2010 wholly for cash and are fully paid. As at 31 January 2010 12,099,312 shares were in issue.

SHAREHOLDERS' INTERESTS

At 31 January 2010, the following have interests exceeding 5% of the issued share capital of the Company.

The David Clarke Railway Trust	31.5%	(3,806,613 shares)
Charnwood Borough Council	8.6%	(1,043,192 shares)
Leicester City Council	8.3%	(1,000,000 shares)

CREDITOR PAYMENT POLICY

The Company's policy is, whenever possible, to pay suppliers in accordance with agreed terms and conditions of trade. Creditor days amounted to 63 days at 31 January 2010 (2009-75 days).

AUDITORS

A resolution proposing the re-appointment of Messrs. Thomas May & Co. as auditors to the Company will be put to the annual general meeting.

GREAT CENTRAL RAILWAY PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2010

(continued)

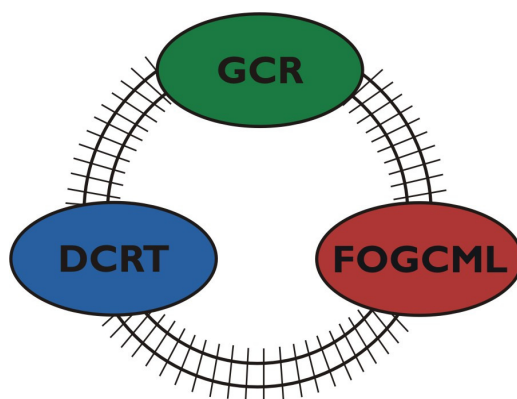
CONCLUSION

We ask now for three things. Your continued generous support as a shareholder, your indulgence with a visit (bringing family and friends with you!) and finally the most valuable thing you could give; time. Professional skills are at a premium. Could you spare a few hours to help the management team? You may be recently retired and seeking to stay active. You may have a 'pet improvement' that you feel the railway can make. Simply put, we are all in this enterprise together. Join in as an active volunteer, at whatever level and with whatever commitment you can give. With more shoulders to the wheel, more willing support we can truly go "Forward!" faster.

Registered Office:
Great Central Station
Loughborough
Leicestershire
LE11 1RW

On behalf of the Board
David T Morgan MBE, TD
Chairman and director

22 May 2010



PARTNERSHIP FOR THE FUTURE

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
GREAT CENTRAL RAILWAY PLC**

We have audited the financial statements of Great Central Railway Plc for the year ended 31 January 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement 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).

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.

Respective responsibilities of the directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 7 and 8, 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 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 Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2010 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
GREAT CENTRAL RAILWAY PLC
(continued)

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 , 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.

B S Carruthers (Senior Statutory Auditor)
for and on behalf of Thomas May & Co

Chartered Accountants
Statutory Auditor

Allen House
Newarke Street
Leicester
LE1 5SG

22 May 2010

GREAT CENTRAL RAILWAY PLC

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 2010

	<u>Notes</u>	<u>2010</u>		<u>2009</u>	
		£	£	£	£
<u>TURNOVER</u>					
(continuing activities)	1		1,734,805		1,694,318
Own work capitalised			66,623		82,016
Other operating income			122,750		77,259
			<hr/>		<hr/>
			1,924,178		1,853,593
Operating costs	2	1,820,341		1,717,117	
Depreciation of tangible fixed assets	1 & 6	114,561		108,536	
Release of capital grants	1	(31,292)		(28,383)	
			<hr/>		<hr/>
			1,903,610		1,797,270
<u>OPERATING PROFIT</u>					
(continuing activities)			20,568		56,323
Interest payable	4		(12,800)		(15,235)
			<hr/>		<hr/>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>			7,768		41,088
Taxation on result of ordinary activities	5		-		-
			<hr/>		<hr/>
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>			7,768		41,088
			<hr/> <hr/>		<hr/> <hr/>

GREAT CENTRAL RAILWAY PLC

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 JANUARY 2010

		<u>2010</u>	<u>2009</u>
	Notes	£	£
Profit for the financial year		7,768	41,088
Prior year adjustment	13	(14,550)	-
Total gains and losses recognised since last financial statements		<u>(6,782)</u>	<u>41,088</u>

GREAT CENTRAL RAILWAY PLC

BALANCE SHEET
AS AT 31 JANUARY 2010

	<u>Notes</u>	<u>2010</u>		<u>2009</u> as restated	
		£	£	£	£
<u>FIXED ASSETS</u>					
Tangible assets	6		2,402,602		2,278,659
<u>CURRENT ASSETS</u>					
Stocks	7	60,510		60,416	
Debtors: amounts falling due within one year	8	122,642		117,246	
Debtors: amounts falling due after more than one year	8	166,064		207,387	
Cash in hand and at bank		93,288		63,469	
		-----		-----	
		442,504		448,518	
		=====		=====	
<u>CREDITORS: Amounts falling due within one year</u>					
Other	9				
		470,949		493,811	
		-----		-----	
<u>NET CURRENT LIABILITIES</u>			(28,445)		(45,293)
			-----		-----
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			2,374,157		2,233,366
			-----		-----
<u>CREDITORS: Amounts falling due after more than one year</u>					
Debenture loan (secured)	10a	325,000		325,000	
Other	10b	842,183		764,286	
		-----		-----	
			1,167,183		1,089,286
			-----		-----
			1,206,974		1,144,080
			=====		=====

GREAT CENTRAL RAILWAY PLC

BALANCE SHEET
AS AT 31 JANUARY 2010

(continued)

CAPITAL AND RESERVES

Called-up share capital	12	3,024,828	2,969,702
Profit and Loss Account – Adverse balance	13	(1,817,854)	(1,825,622)
		<u> </u>	<u> </u>
		1,206,974	1,144,080
		<u> </u>	<u> </u>

The financial statements were approved by the Board of Directors on 22 May 2010.

On behalf of the Board

D. T. MORGAN MBE, TD
Chairman and Director

GREAT CENTRAL RAILWAY PLC

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JANUARY 2010

	<u>Notes</u>	<u>2010</u>		<u>2009</u>	
		£	£	£	£
				as restated	
<u>NET CASH INFLOW FROM OPERATING ACTIVITIES</u>	1		214,058		229,039
 <u>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</u>					
Interest paid		(12,800)		(15,235)	
		_____		_____	
Net cash outflow from returns on investments and servicing of finance			(12,800)		(15,235)
 <u>TAXATION</u>					
Corporation tax paid			-		-
 <u>CAPITAL EXPENDITURE</u>					
Purchase of fixed assets		(238,504)		(234,547)	
		_____		_____	
Net cash outflow from investing activities			(238,504)		(234,547)
 <u>FINANCING</u>					
Issue of shares		55,126		148,661	
Loan repayments		(42,500)		(92,000)	
New loans advanced		54,439		97,601	
		_____		_____	
Net cash inflow from financing			67,065		154,262
			_____		_____
<u>INCREASE IN CASH</u>	2		29,819		133,519
			=====		=====

GREAT CENTRAL RAILWAY PLC

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JANUARY 2010

1	<u>RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES</u>		
	<u>2010</u>	<u>2009</u>	
	£	£	
	20,568	56,323	
Operating profit	114,561	108,536	
Depreciation	(94)	(9,352)	
(Increase) in stocks	35,927	(111,415)	
Decrease/(increase) in debtors	43,096	184,947	
Increase in creditors	-----	-----	
Net cash inflow from operating activities	214,058	229,039	
	=====	=====	
2	<u>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT</u>		
	£	£	
	29,819		
Increase in cash in period	(54,439)		
New loans advanced	42,500		
Loan repayments	-----		
Change in net debt		17,880	
Net debt at 1 February 2009		(292,687)	

Net debt at 31 January 2010		(274,807)	
		=====	
3	<u>ANALYSIS OF CHANGES IN NET DEBT</u>		
	<u>At</u>		<u>At</u>
	<u>1 February</u>	<u>Cash</u>	<u>31 January</u>
	<u>2009</u>	<u>Flows</u>	<u>2010</u>
	£	£	£
	63,469	29,819	93,288
Cash in hand and at bank	(31,156)	(11,939)	(43,095)
Debt due within one year	(325,000)	-	(325,000)
Debt due after one year	-----	-----	-----
	(292,687)	17,880	(274,807)
	=====	=====	=====

GREAT CENTRAL RAILWAY PLC

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Basis of Accounting

The accounts are prepared under the historical cost convention. The Company has a substantial loan from The David Clarke Railway Trust which is subject to a loan agreement [see note 10]. There is a two year notice period for repayment of the debenture loan of £325,000. At present the Company has not received notice on the debenture loan.

The Company has an overdraft facility of £150,000 which is due for review in June 2010. This facility is personally guaranteed by a former chairman of the company for £50,000 and a director of the company for £50,000. Consequently the directors consider it appropriate to continue to prepare the accounts on the going concern basis and the accounts do not contain any adjustments that would result from the company being unable to continue as a going concern.

Legacies

Legacies are included in the accounts where the company has been advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

Depreciation

Depreciation is calculated so as to write down to estimated residual value the cost of tangible fixed assets over their estimated useful lives as follows:-

Long leasehold land and buildings	-	1%-4% per annum on cost
Railway track, ballast and signalling	-	1.5% per annum on cost
Plant and equipment	-	10%-20% per annum on cost
Rolling stock	-	7.5% per annum on cost

Impairment of Fixed Assets

The directors have carried out a review relating to the impairment of fixed assets. No further provision for impairment is considered necessary.

Capital Grants

Grants relating to expenditure on tangible fixed assets are credited to the profit and loss account over a period approximating to the lives of qualifying assets. The unamortised portions of capital grants are included in accruals and deferred income.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Deferred Taxation

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.

GREAT CENTRAL RAILWAY PLC

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

1. ACCOUNTING POLICIES (continued)

Pension Scheme

Contributions to the Company's pension scheme are charged to the Profit and Loss Account as incurred. [See Note 15]

Deferred Costs

The company has entered into agreements with locomotive owners whereby any restoration costs incurred by the company are offset against future steaming fees when the locomotives become operational on the railway.

The deferred costs carried forward are included in debtors.

Operating Leases

Rentals payable under operating leases are charged to the profit and loss account as incurred.

Turnover

Turnover represents amounts receivable by the Company in respect of goods sold and services provided during the year, excluding value added tax.

2. OPERATING COSTS

	<u>2010</u>		<u>2009</u>	
	£	£	£	£
Increase in stock of goods for resale		(94)		(9,352)
Raw materials and consumables		461,858		460,627
Employee costs:				
Wages and salaries	516,461		500,454	
Social security costs	34,960		34,068	
Other pension costs	14,824		17,370	
		566,245		551,892
Other operating charges		792,332		713,950
		1,820,341		1,717,117
Included in operating costs are:-		<u>2010</u>		<u>2009</u>
		£		£
Hire of plant and machinery		136,125		151,903
Auditors' remuneration		10,000		9,000

GREAT CENTRAL RAILWAY PLC

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

3. EMPLOYEE NUMBERS

The average number of persons (full time equivalents) employed by the Company (including directors and part-time employees) during the year was as follows:-

	<u>2010</u> <u>No.</u>	<u>2009</u> <u>No.</u>
Management (includes all unpaid directors)	11	11
Other	35	34
	<hr/>	<hr/>
	46	45
	<hr/> <hr/>	<hr/> <hr/>

4. INTEREST PAYABLE

	<u>2010</u> <u>£</u>	<u>2009</u> <u>£</u>
Bank loan and overdraft repayable within five years	390	3,962
On other loans	12,410	11,273
	<hr/>	<hr/>
	12,800	15,235
	<hr/> <hr/>	<hr/> <hr/>

5. TAXATION

Based on the result for the year there is no liability to corporation tax or deferred tax.

The company had losses available to carry forward against future trading profits at 31 January 2010 amounting to £2,879,002. There was no liability to deferred tax at 31 January 2010 as a result of losses carried forward.

GREAT CENTRAL RAILWAY PLC

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

6. TANGIBLE FIXED ASSETS

<u>Cost</u>	<u>Long Leasehold Land and Buildings</u> £	<u>Railway Track Ballast and Signalling</u> £	<u>Plant and Equipment</u> £	<u>Rolling Stock</u> £	<u>Total</u> £
At 1 February 2009	1,275,802	1,760,610	392,087	1,042,743	4,471,242
Additions	123,315	-	17,642	97,547	238,504
	<hr/>				
At 31 January 2010	1,399,117	1,760,610	409,729	1,140,290	4,709,746
	<hr/> <hr/>				
<u>Depreciation</u>					
At 1 February 2009	438,320	750,273	309,520	694,470	2,192,583
Charged in year	18,608	26,409	17,240	52,304	114,561
	<hr/>				
At 31 January 2010	456,928	776,682	326,760	746,774	2,307,144
	<hr/> <hr/>				
<u>Net Book Value</u>					
At 31 January 2010	942,189	983,928	82,969	393,516	2,402,602
	<hr/> <hr/>				
At 31 January 2009	837,482	1,010,337	82,567	348,273	2,278,659
	<hr/> <hr/>				

The accumulated provision for depreciation of £2,307,144 at 31 January 2010 includes £500,000 in respect of provision for impairment.

7. STOCKS

	£	<u>2010</u> £	<u>2009</u>
Raw materials and consumables		17,551	17,553
Goods for resale		42,959	42,863
		<hr/>	<hr/>
		60,510	60,416
		<hr/> <hr/>	<hr/> <hr/>

GREAT CENTRAL RAILWAY PLC

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

8. <u>DEBTORS</u>	<u>2010</u> £	<u>2009</u> £
Trade debtors	229,532	285,427
Other debtors	41,451	34,448
Prepayments and accrued income	17,723	4,758
	<hr/>	<hr/>
	288,706	324,633
	<hr/> <hr/>	<hr/> <hr/>

Included in debtors are amounts due after more than one year:

Trade debtors	166,064	207,387
	<hr/> <hr/>	<hr/> <hr/>

9. CREDITORS

Amounts falling due within one year:

(a) Any bank overdraft is secured by personal guarantees.

(b) <u>Other</u>	<u>2010</u> £	<u>2009</u> £
Loans	43,095	31,156
Trade creditors	278,495	282,460
Social security and other taxation payable	10,840	22,056
Other creditors	32,870	4,361
Accruals and deferred income	105,649	153,778
	<hr/>	<hr/>
	470,949	493,811
	<hr/> <hr/>	<hr/> <hr/>

Loans are repayable as follows:	<u>2010</u> £	<u>2009</u> £
Repayable on demand:		
Interest free	42,095	30,156
Interest at 5% per annum	1,000	1,000
	<hr/>	<hr/>
	43,095	31,156
	<hr/> <hr/>	<hr/> <hr/>

These loans are unsecured.

GREAT CENTRAL RAILWAY PLC
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

10. CREDITORS

Amounts falling due after more than one year:

(a) The debenture loan is secured by a first fixed and floating charge over the assets of the Company and is repayable on receipt of twenty-four months written notice.

(b) <u>Other</u>	<u>2010</u> £	<u>2009</u> £
Accruals and deferred income	842,183	764,286
	=====	=====

Deferred income is capital grants not yet credited to profit.

These loans are unsecured.

11. LOAN MATURITY ANALYSIS

	<u>2010</u> £	<u>2009</u> £
<u>Loans</u>		
Due within one year	43,095	31,156
	=====	=====
<u>Debenture loan</u>		
Due in two to five years or later if no notice of repayment received	325,000	325,000
	=====	=====

12. SHARE CAPITAL

	<u>2010</u> £	<u>2009</u> £
Authorised:		
20,000,000 ordinary shares of 25 pence per share	5,000,000	5,000,000
	=====	=====
Allotted, called up and fully paid:		
12,099,312 ordinary shares of 25 pence per share	3,024,828	2,969,702
	=====	=====

During the year 220,504 shares were issued at par. The invitation to subscribe for shares at par remains open to enable the Company to strengthen its capital base.

GREAT CENTRAL RAILWAY PLC
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

13. STATEMENT OF MOVEMENTS ON PROFIT AND LOSS ACCOUNT

	<u>2009</u> £
Balance at 1 February 2009 as previously reported	(1,811,072)
Prior year adjustment	(14,550)

Balance at 1 February 2009 as restated	(1,825,622)
Profit for the year	7,768

Balance at 31 January 2010	(1,817,854)

The accounts have been restated to reflect a correction to the recognition of credit card receipts in earlier years.

14. FINANCIAL COMMITMENTS

Capital expenditure contracted at 31 January 2010 for which no provision has been made in these accounts was as follows:

	<u>2010</u> £	<u>2009</u> £
Contracted	Nil	Nil
	-----	-----

At 31 January 2010 the Company had annual commitments under non-cancellable operating leases as follows:

	<u>2010</u> £	<u>2009</u> £
Operating leases which expire within:		
One year	2,333	2,355
Two to five years	1,788	-
	-----	-----
	4,121	2,355

GREAT CENTRAL RAILWAY PLC

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

15. PENSION COMMITMENTS

The Company operates a defined contribution pension scheme for permanent employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost represents contributions payable by the Company to the fund and amounted to £14,824 (2009 - £17,370).

16. RELATED PARTY TRANSACTIONS

Certain directors have made unsecured loans to the company. At 1 February 2009, an amount of £1,179 was outstanding to directors. During the year further advances of £17,100 were received and no repayments were made. At 31 January 2010, £18,100 was outstanding to the directors. The loans carry interest at rates varying from 0% to 5.0% and are repayable on demand. The difference of £179 relates to a loan from a retired director.

Messrs. N Harris, TA Ingall and AC Sparks, directors of the company during the year under review, are also committee members of Friends of the Great Central Main Line (FoGCML). During the year, Great Central Railway plc received grants totalling £19,100 from FoGCML. A management fee of £4,000 was charged to FoGCML for the year ended 31 January 2010 in respect of income and costs processed by Great Central Railway plc on behalf of Friends of the Great Central Main Line. At the year end, £2,753 was owed to Friends of Great Central Main Line.

Mr N Harris, a director of the company for the year under review, is also a director of Loughborough Standard Locomotives Group Limited (LSLG), a company that provides locomotive 78019 in exchange for steaming fees. They also provide locomotive maintenance and repair and services. Great Central Railway PLC paid a total of £14,549 to LSLG during the year. At the year end £3,331 was owed to LSLG.

Mr M Gregory, a director of the company for the year under review, is also a director of Cromwell Tools Limited, a company that provides tooling products to the company. Great Central Railway plc purchased goods to the value of £10,586 from Cromwell Tools Limited and owed them £1,173 at the year end.

Cromwell Tools Limited also provided a loan of £5,310 to Great Central Railway plc which was outstanding at the year end.

GREAT CENTRAL RAILWAY PLC

SUMMARY OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 JANUARY 2010

	<u>2010</u> £	<u>2009</u> £
<u>INCOME</u>		
Ordinary fares	497,848	571,385
Santa Specials	135,974	134,547
Platform tickets	34,782	37,519
Restaurant car train fares, meals and drinks	440,840	409,664
Griddle car, retail and refreshment room	305,589	276,674
“Drive a Train” experience, special projects and other income	371,361	289,203
	<hr/>	<hr/>
	1,786,394	1,718,992
	<hr/> <hr/>	<hr/> <hr/>
<u>EXPENDITURE</u>		
Train operating and maintenance costs	772,451	697,594
Special event costs	103,518	82,189
Advertising and marketing costs	56,844	59,471
On-train catering costs	287,316	296,755
Retail and refreshment room costs	130,025	103,658
Management, administration and general overheads	403,584	394,393
	<hr/>	<hr/>
	1,753,738	1,634,060
	<hr/> <hr/>	<hr/> <hr/>
OPERATING PROFIT	32,656	84,932
Net Interest	(12,784)	(15,142)
Depreciation (less profits on disposal)	(83,268)	(79,654)
Revenue grants	71,164	51,386
Bad debts written off	-	(434)
	<hr/>	<hr/>
PROFIT FOR THE YEAR	7,768	41,088
	<hr/> <hr/>	<hr/> <hr/>