



GREAT CENTRAL RAILWAY
LOUGHBOROUGH, LEICESTERSHIRE

GREAT CENTRAL RAILWAY PLC

DIRECTORS' REPORT AND STATEMENT OF ACCOUNTS

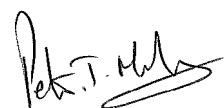
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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Company's thirty second annual general meeting will be held at the Loughborough Town Hall on Saturday 27 June 2009 at 10.30am for the following purposes:

1. To receive the directors' report and audited accounts for the year ended 31 January 2009.
2. To elect directors in accordance with the Company's articles of association. Mr K P Byass, Mr R J Patching, Mr G J Hanson, Mr M Gregory having been appointed since the last Annual General Meeting, offer themselves for re-election.
3. To elect directors in accordance with the Company's articles of association. Mr T A Ingall, Mrs R H Marsh, Mr D T Morgan and Mr A C Sparks retire by rotation and, being eligible, offer themselves for re-election.
4. To re-elect Messrs. Thomas May & Co. as auditors to the Company and to authorise the directors to fix their remuneration.



On behalf of the Board
PT MORLEY
Secretary

Registered Office:
Great Central Station
Loughborough
Leicestershire
LE11 1RW

19 May 2009

ADMISSION

Admission to the meeting will be restricted to members of the Company. Please retain this letter as evidence of your status. If you have downloaded the report from the internet, you will still need to bring your letter to gain admission.

PROXIES

Any member entitled to attend and vote may appoint a proxy to attend and, upon a poll, vote on their behalf. A recommended form of proxy is enclosed with this report. A proxy need not also be a member of the Company.

OPEN FORUM

At the conclusion of the formal business of the meeting if time allows the directors will be pleased to receive any questions from shareholders.

INVITATION TO SHAREHOLDERS

We will be delighted to welcome you to inspect the railway on the day of the annual general meeting and, when used by the person to whom it was issued, this notice shall be regarded as a valid travel ticket for unlimited travel on the Great Central Railway on the day of the annual general meeting only and, if so used, shall be deemed to have been issued in accordance with the Company's Conditions of Carriage of Passengers and their Luggage, copies of which are available for inspection at any of the Company's stations.

FRIENDS OF THE GREAT CENTRAL MAIN LINE MEMBERS

FOGCML members are reminded their AGM will take place in the same venue, starting shortly after the conclusion of the open forum part of the GCR plc AGM. Members will receive a separate meeting notice and report.

DIRECTORS' REPORT AND STATEMENT OF ACCOUNTS

In order save printing and distribution costs these are published on the GCR Website and can be downloaded from there and printed, if required. The website address is: http://www.gcrailway.co.uk/about_us/pressreleases.aspx

If you wish to receive a printed copy please either write or telephone the GCR office at Loughborough Station and request a Directors' Report to be sent to you in the Royal Mail.

GREAT CENTRAL RAILWAY PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2009

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

2008 was a year of celebration, challenge and change for the Great Central Railway. Branded 'The year of Express Engines' this is undoubtedly how it will be remembered, but there was much more to the last twelve months than spectacular gala events.

It was certainly not all plain sailing. An early Easter and poor weather meant the season started with poor passenger figures. We were not the only local visitor attraction to experience anxious times in February and March but in addition some of our booked guest engines failed to arrive (through a variety of circumstances). With dates changing for other star attractions, for very valid reasons, it is fair to say the first months of the year felt like a false start.

That changed dramatically in early May. Forty years after hauling the '15 guinea special' which marked the end of BR steam in August 1968, the National Railway Museum's Britannia Class 4-6-2 Oliver Cromwell returned to passenger traffic. The four year overhaul was a spectacular triumph of which the locomotive shed team of full time staff and volunteers is justly proud. The Great Central Railway was a leading player in the overhaul in partnership with the National Railway Museum, the readers of Steam Railway magazine, 5305 Locomotive Association, Loughborough Standard Locomotive Group, and the Friends of the National Railway Museum. Generous support came from Detek (CNC) Ltd, Bressingham Museum, Welbeck Sixth Form Defence College, Cromwell Tools, 4c Systems, the Main Line Steam Trust the David Clarke Railway Trust and Mr Bill Ford, President of the Great Central Railway. The tireless efforts of so many people is gratefully applauded.

It was a complex partnership to arrange and manage but its successful culmination has given us a lot of experience (not to mention a good reputation) for future projects. Oliver Cromwell looked incredible operating GCR trains through May 2008 including a special rededication weekend when the NRM's Head of Collections, Helen Ashby and rail minister Tom Harris performed the ceremony. The engine's programme for the next few years should see it based at the GCR for four months over the winter each year.

Significantly, the engine was completed on time to take part in the 1968 event at the NRM in late May and the commemorative re-run of the '15 guinea special' in August. Quite simply it is an extraordinary travelling ambassador for our railway and all GCR people.

In late May, Ellis's tea room opened at Rothley under the management of Linda Poole. The conversion of the former Ellis store room was funded by the DCRT, thanks to the generosity of an individual supporter. The high standard of work, which has seen a disused building sympathetically converted, has won much praise. Meanwhile, the tea room has quickly established itself as a quality addition to our core business, bringing casual visitors to Rothley, enhancing our family credentials and providing a brand new profit stream. Rothley's long-closed stairway arcade was also reopened in 2008 after the David Clarke Railway Trust funded repair work. The volunteers at the station had their efforts rewarded twice. They won the GCR's internal best kept station competition and then picked up the 'volunteers award' sponsored by National Express East Coast at the National Railway Heritage Award.

GREAT CENTRAL RAILWAY PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2009

(continued)

There were other improvements to the passenger experience during the year. Our new talking tour guide was activated and a 'walks from the line' guide produced, part of a growing portfolio of GCR publications available from our outlets. Behind the scenes, the website (and the way it is managed) were significantly overhauled which should spread the load across a number of people in terms of keeping everything up to date.

In mid-June, fresh from a very successful wartime weekend (which saw an increase in visitor numbers and passenger fare income), we held a celebration gala to mark 15 years of the windcutter wagon preservation project. The gala hopefully helped to raise the profile of this particular part of the GCR scene. Coincidentally it was possible to enjoy another guest engine at the same time. LMS design (but BR-built) Fairburn 2-6-4 tank no. 42085 very rarely travels away from its home base at the Lakeside and Haverthwaite Railway. We are very pleased to have been involved in a partnership with them to repair the engine in return for some running. The work on this project has been undertaken by Loughborough Standard Locomotives Group. At the time of writing this report the work is almost concluded and the engine will be a regular sight on the GCR for a few months. It is expected to leave in early November.

July brought another big first time visitor in the shape of Southern Railway 4-6-0 No. 30850 Lord Nelson. The National Railway Museum required it to undergo some 60mph tests following major boiler repair work. Our relationship with the Museum continues to be strong and cordial. We are honoured to host so many engines from its collection.

And so to Tornado! We have long maintained a close and supportive relationship with the AI Steam Locomotive Trust and were pleased to work with them over the last few years to arrange the running in of their brand new engine. Months of detailed planning (which was understandably fluid on dates) culminated in the engines arrival in late August. Immediately the GCR found itself at the heart of an event which captured public imagination around the world. The attention to every move the magnificent Tornado made continued until the engine departed. For Oliver Cromwell to open the summer season and for Tornado to close it was spectacular.

HIGHLIGHTS

Perhaps the covenanters' day when the railway successfully handled the needs of the AI trust supporters and ran a passenger service at the same time or perhaps it was the Steam Railway Gala where the engine lined up alongside Oliver Cromwell? With Leander joining us for the gala as well, over £100,000 of income was banked in the space of three days. It was a wonderful occasion, immortalised for ever in hours of internet video and in our memories. We have maintained our close relationship with the AI Trust and wish them the very best of fortune in the future. The power of their engine to switch on the general public to steam trains is immense.

There can't be many railways who can say a royal visit was *just one* of the highlights of the year. HRH Duke Of Gloucester visited in early November in connection with the centenary celebrations of the Territorial Army. This was a very prestigious occasion (again, many months in the planning) which not only saw Oliver Cromwell temporarily renamed, but also brought many first time visitors to the railway who left with a good impression.

The last visitor of the year was the National Railway Museum's City Of Truro. During its stay this legendary 4-4-0 participated in the line up of Oliver Cromwell, the O4 and the Windcutter Wagons. All four projects were sponsored by Steam Railway readers between 1992 and 2009 – and the first time they had appeared together! In a year when we were rarely out of the press or railway periodicals, these were among the most dramatic pictures of all.

GREAT CENTRAL RAILWAY PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2009

(continued)

FINANCIAL RESULTS

The year in pure figures also has good news. Some sectors did astonishingly well. The 'Tornado' and 'Cromwell' factors are very much in evidence with the stunning increase in revenue from ordinary fares. Drive A Train Experience also performed well compared to 2007. Contrary to expectation there was even a resumption of growth in Santa Special income which appeared to have stalled in 2007. Some sectors were down on the previous year though. For example, in 2007 our one-off testing contract with the hybrid HST brought in substantial income. While there were some smaller testing contracts in 2008, amounting to some £37,000, these fell short of our budget aspirations.

However total income across the board rose by tens of thousands of pounds. Inevitably the downside is that costs rose as well. For example, operating costs were almost £50,000 over budget which can be partly attributed to a rise in fuel costs during 2008. General overheads and booking office costs were also up.

In late 2008, faced with uncertain economic prospects and rising staff costs the difficult decision was made to review staffing levels. The posts of General Manager and Marketing Assistant were made redundant. After the due consultation process Robert Crew and Lynn Hill left the company with our grateful thanks for their hard work. Robert's time as general manager saw major changes at the railway and in its supporting organisations. Another member of staff, our commercial manager Bruce Pollard decided to return to employment on the national rail network. Again, our thanks go to Bruce for his GCR work in the last two years.

At this point we should mention the outstanding contribution of one particular individual in the last year. Bill Ford, our president has become the lynchpin of the day to day management of the railway. His decades of executive management expertise are being brought to bear on our operations, to excellent effect. Without his drive and determination for the GCR adventure to succeed, our railway would not be in its comparatively buoyant state. The board of directors formally place on record their deep appreciation to Bill and his family.

The staff structure has been reviewed and we now feel it would be difficult to further reduce our headcount without a detrimental impact on our operations. It is clear our dependence on volunteers will only increase.

We're pleased to record a third annual profit (after depreciation) of £41,000. A key indicator to the company's continuing financial recovery can be found on the balance sheet. An improvement of around £213,000 in the 'net current liabilities position' means the GCR is coming ever closer to 'zero point', where assets and liabilities cancel each other out. Beyond that, a continuing improving situation would mean the railway having 'net current assets' making us a much stronger organisation financially and hopefully even more attractive to funders and partners.

This major improvement (and a reverse of the historic worsening position) has been driven in part by strong share sales. Many thanks are due to all shareholders who responded to our appeal to buy more shares. The other reason for the balance sheet improvement is any money invested 'upfront' by the GCR in locomotive overhauls is now treated as a debt to the company. It must either be repaid in cash or the debt cleared by the engine running at the GCR.

THE FUTURE

So, we enter 2009 in a stronger financial position. Clearly though these are uncertain times when even experts can't predict what the financial prospects are. 'There are only two kinds of economists now', says a current City joke. 'Those who don't know what's going to happen – and those who don't know they don't know !' The budget for this current year has been prepared with an expectation of zero growth in income compared with 2008. Recognising that the Tornado effect is unlikely to be repeated our forecasts have been revised further by omitting the spectacular revenue of October 2008. As such our budget forecast for the current year predicts a small loss.

GREAT CENTRAL RAILWAY PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2009

(continued)

That said, we are determined to avoid this through very close management of our finances. Once again we should repeat our warning about creeping costs. Our business has many strands - there are comparatively few income streams compared with areas of expenditure. A constantly rising tide of regulation and legislation also brings increasing costs. However, we have already seen testing income this year which hadn't been anticipated, which helps. Meanwhile, passenger figures and ticket sales (as at Easter 2009) were ahead of last year. Clearly the season has some way to go but these are encouraging signs. The adopted strategy of pursuing commercial work in addition to partners to support our heritage aspirations has not changed.

Let's turn briefly to the year ahead. While not strictly part of the narrative for this report, there is so much happening which can't be ignored. GCR plc, DCRT and FOGCML have combined to mark the 40th anniversary of preservation, not with a repeat of last year's one off locomotive jamborees, but rather a series of sustainable developments to our infrastructure.

Installation of a passenger lift and improvements to the toilets at Loughborough Central (including wheeled access) will be almost complete as you read this, funded in part through a large grant from The Veolia Environmental Trust. Other grants came from East Midlands Airport Community Fund, The Bruce Wake Trust, and TST Services.

Phase one of the canopy at Leicester North is now complete with a funding decision from another grant-giving body awaited before work begins on phase two.

Last, but by no means least, the former Goods Office at Loughborough (now known as Lovatt House in commemoration of our late company secretary and his father Bruce, who both played very important roles in establishing and developing the GCR) has been bought for the GCR to use as offices and meeting space. This was achieved with the very generous support of DRCT, Charnwood Borough Council and the Leicester Shire Economic Partnership.

Thanks are also due to Charnwood Borough Council and the Leicester Shire Economic Partnership, together with the East Midlands Development Agency (and with Leicester Shire Promotions Ltd championing our cause) for enabling the current economic development study into 'bridging the gap' to take place. Securing the sizeable grant for the work has involved four years of really hard graft behind the scenes from the Greater Great Central team. This is a small group of people from both the north and south lines who have come together to promote reconnection and further expansion.

The study will look at options for developing the line including reconnecting the two divided halves of the GCR, extending further north and south and building our proposed engineering centre on the Allsops Lane site. The 'starting gun' was fired by Loughborough MP Andy Reed at a press event in April and Atkins consultants are currently hard at work with a final report due in October 2009.

Clearly we hope they will find supportive arguments and a commercial case to support our aspirations. While this document will not in itself 'bridge the gap' the end result will be a key piece of research as we go forward seeking commercial partners. On that note, any press reports you may have read indicating that 'a deal has been done' or that the gap is about to be bridged are wide of the mark. When there is news to announce or decisions to be made, the GCR board and our key partners will consult with shareholders, volunteers and members as the key stakeholders. Until then please rest assured we are actively working towards our exciting future plans.

To return briefly to the locomotive theme, the Fairburn Tank and the N2 will by now (or very shortly) be in regular service. Do take the chance to see the O4 no. 63601 before it retires very soon for its mandatory ten year overhaul. It is currently expected the engine will remain at the GCR for the work to take place in due course.

GREAT CENTRAL RAILWAY PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2009

(continued)

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, for example Santa Specials. 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 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 restructuring efforts that created the new membership organisation the 'Friends of the Great Central Main Line' (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.

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.

During this year the net current liabilities have reduced by £213,160, which represents a significant improvement in the financial health of the Railway.

The Railway's approved bank overdraft limit is underwritten by two personal guarantors and the HSBC bank. It is the intention of the Board to reduce and ultimately remove the reliance on their goodwill as soon as is practical.

GREAT CENTRAL RAILWAY PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2009

(continued)

BOARD CHANGES

In the period under review, Messrs G A Green, S W Hallam and P T Morley resigned as directors. We would like to thank them for their dedicated work over many years.

We welcome Messrs K Byass, M Gregory, G Hanson and R J Patching, who were appointed directors in the period.

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 7 to the accounts.

GREAT CENTRAL RAILWAY PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2009

(continued)

DIRECTORS

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

	1 February 2008 or date of appointment	31 January 2009 or date of resignation
K Byass (appointed 17 November 2008)	-	-
G A Green (resigned 14 October 2008)	6,100	7,100
M Gregory (appointed 14 January 2009)	-	100,000
SW Hallam (resigned 29 April 2008)	1,200	1,200
G Hanson (appointed 17 November 2008)	-	50,000
N Harris	5,280	10,160
T A Ingall	1,600	1,780
R H Marsh	3,700	3,996
DT Morgan	4,000	44,000
PT Morley (resigned 14 October 2008)	400	1,120
R J Patching (appointed 17 November 2008)	-	69,360
M J Sheppard	11,192	11,192
A C Sparks	800	800
R Tilden Smith	8,000	8,000

At the date of this report, the following Board positions are held by directors:

Chairman: DT 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

Company law requires the directors to prepare financial statements for each financial year which 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 year. 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 proper 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 1985. 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:

- so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- 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.

GREAT CENTRAL RAILWAY PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2009

(continued)

ISSUE OF SHARES

594,645 shares of 25p each have been allotted during the year ended 31 January 2009 wholly for cash and are fully paid. As at 31 January 2009, 11,878,808 shares were in issue.

SHAREHOLDERS' INTERESTS

At 31 January 2009, the following have interests exceeding 5% of the issued share capital of the Company.

The David Clarke Railway Trust	31.9%	(3,787,273 shares)
Charnwood Borough Council	8.8%	(1,043,192 shares)
Leicester City Council	8.4%	(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 75 days at 31 January 2009 (2008-79 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.

CONCLUSION

In conclusion, the directors are pleased to reflect on a very important year for the railway and look forward to exciting times ahead. Clearly, without our shareholders this wouldn't be the case. As our shareholders we thank you for your continuing support and hope that you too are excited by the 'can do' (and more importantly 'does achieve') atmosphere which increasingly underpins every part of our railway.

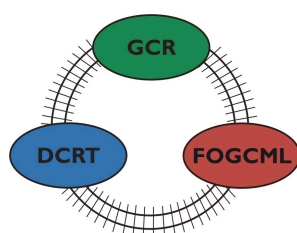
You are a vital part of the team, alongside our volunteers, the members of the Friends of the Great Central Main Line, the donors to the David Clarke Railway Trust and our local authority partners. We hope you will be inspired by recent achievements to at least continue and hopefully increase your support. This will enable us to achieve even more – and at a faster pace.

In our fortieth anniversary year, we reflect that the amount of hard work involved in safeguarding and enhancing the Great Central hasn't diminished. As ever greater possibilities and rewards arise, our efforts towards them are redoubled. Never has the company motto seemed more appropriate. Forward!

Registered Office:
Great Central Station
Loughborough
Leicestershire
LE11 1RW

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

19 May 2009



PARTNERSHIP FOR THE FUTURE

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

We have audited the financial statements of Great Central Railway PLC on the following pages for the year ended 31 January 2009. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 described in the statement of directors' responsibilities on page 8 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK & Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK & Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the Company's requirements for future funding and the uncertainties set out therein. In view of the significance of this uncertainty we consider that it should be drawn to your attention, but our opinion is not qualified in this respect.

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

(continued)

Opinion

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the Company's affairs as at 31 January 2009 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985;
- the information given in the directors' report is consistent with the financial statements.

Allen House
Newarke Street
Leicester Chartered Accountants

19 May 2009

THOMAS MAY & CO

and Registered Auditors

GREAT CENTRAL RAILWAY PLC

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 2009**

	<u>Notes</u>	<u>2009</u>		<u>2008</u>	
		£	£	£	£
<u>TURNOVER</u>					
(continuing activities)	1		1,694,318		1,606,192
Own work capitalised			82,016		43,775
Other operating income			72,901		37,894
			<hr/>		<hr/>
			1,849,235		1,687,861
Operating costs	2	1,717,117		1,600,869	
Depreciation of tangible fixed assets	1 & 7	108,536		92,382	
Release of capital grants	1	(28,383)		(15,929)	
			<hr/>		<hr/>
			1,797,270		1,677,322
<u>OPERATING PROFIT</u>					
(continuing activities)			51,965		10,539
Exceptional income			4,358		13,460
Interest payable	5		(15,235)		(12,390)
			<hr/>		<hr/>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>			41,088		11,609
Taxation on result of ordinary activities	6		-		1,548
			<hr/>		<hr/>
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>			41,088		13,157
Adverse balance brought forward			(1,852,160)		(1,865,317)
			<hr/>		<hr/>
<u>ADVERSE BALANCE CARRIED FORWARD</u>			(1,811,072)		(1,852,160)
			<hr/> <hr/>		<hr/> <hr/>

The profit and loss account has been prepared on the basis that all operations are continuing operations. There are no recognised gains and losses other than those passing through the profit and loss account.

GREAT CENTRAL RAILWAY PLC

BALANCE SHEET
AS AT 31 JANUARY 2009

	<u>Notes</u>	<u>2009</u>		<u>2008</u>	
		£	£	£	£
<u>FIXED ASSETS</u>					
Tangible assets	7		2,278,659		2,152,648
<u>CURRENT ASSETS</u>					
Stocks	8	60,416		51,064	
Debtors: amounts falling due within one year	9	117,246		58,536	
Debtors: amounts falling due after more than one year	9	207,387		154,682	
Cash in hand and at bank		78,019		3,859	
		-----		-----	
		463,068		268,141	
		=====		=====	
<u>CREDITORS: Amounts falling due within one year</u>					
Bank overdraft (secured)	10	-		59,360	
Other		493,811		452,684	
		-----		-----	
		493,811		512,044	
		=====		=====	
<u>NET CURRENT LIABILITIES</u>			(30,743)		(243,903)
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			-----		-----
			2,247,916		1,908,745
<u>CREDITORS: Amounts falling due after more than one year</u>					
Debenture loan (secured)	11	325,000		325,000	
Other		764,286		614,864	
		-----		-----	
			1,089,286		939,864
			-----		-----
			1,158,630		968,881
			=====		=====
<u>CAPITAL AND RESERVES</u>					
Called-up share capital	13		2,969,702		2,821,041
Profit and Loss Account – Adverse balance			(1,811,072)		(1,852,160)
			-----		-----
	14		1,158,630		968,881
			=====		=====

GREAT CENTRAL RAILWAY PLC

BALANCE SHEET
AS AT 31 JANUARY 2009
(continued)

The financial statements were approved by the Board of Directors on 19 May 2009.

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 2009

	<u>Notes</u>	<u>2009</u>		<u>2008</u>	
		£	£	£	£
<u>NET CASH INFLOW FROM OPERATING ACTIVITIES</u>	1		224,681		170,970
 <u>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</u>					
Interest paid		(15,235)		(12,390)	
		-----		-----	
Net cash outflow from returns on investments and servicing of finance			(15,235)		(12,390)
 <u>TAXATION</u>					
Corporation tax paid			-		(1,548)
 <u>CAPITAL EXPENDITURE</u>					
Purchase of fixed assets		(234,547)		(189,120)	
		-----		-----	
Net cash outflow from investing activities			(234,547)		(189,120)
Exceptional income			4,358		13,460
 <u>FINANCING</u>					
Issue of shares		148,661		36,771	
Loan repayments		(92,000)		(31,746)	
New loans advanced		97,601		-	
		-----		-----	
Net cash inflow from financing			154,262		5,025
			-----		-----
<u>INCREASE/(DECREASE) IN CASH</u>	2		133,519		(13,603)
			=====		=====

GREAT CENTRAL RAILWAY PLC

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JANUARY 2009

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>2009</u>	<u>2008</u>
	£	£
Operating profit	51,965	10,539
Depreciation	108,536	92,382
(Increase) in stocks	(9,352)	(9,479)
(Increase)/decrease in debtors	(111,415)	39,562
Increase in creditors	184,947	37,966
	<hr/>	<hr/>
Net cash inflow from operating activities	224,681	170,970
	<hr/> <hr/>	<hr/> <hr/>

2 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	£	
Increase in cash in period	133,519	
New loans advanced	(97,601)	
Loan repayments	92,000	
	<hr/>	
Change in net debt		127,918
Net debt at 1 February 2008		(406,055)
		<hr/>
Net debt at 31 January 2009		(278,137)
		<hr/> <hr/>

3 ANALYSIS OF CHANGES IN NET DEBT

	<u>At</u> <u>1 February</u> <u>2008</u> £	<u>Cash</u> <u>Flows</u> £	<u>At</u> <u>31 January</u> <u>2009</u> £
Cash in hand and at bank	3,859	74,159	78,018
Bank overdraft	(59,360)	59,360	-
Debt due within one year	(25,554)	(5,601)	(31,155)
Debt due after one year	(325,000)	-	(325,000)
	<hr/>	<hr/>	<hr/>
	(406,055)	127,918	(278,137)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

GREAT CENTRAL RAILWAY PLC

NOTES TO THE FINANCIAL STATEMENTS

I. 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 11]. 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 2009. 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)

I. ACCOUNTING POLICIES (continued)

Pension Scheme

Contributions to the Company's pension scheme are charged to the Profit and Loss Account as incurred. [See Note 16]

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>2009</u>	<u>2008</u>
	£	£
Increase in stock of goods for resale	(9,352)	(12,143)
Raw materials and consumables	460,627	503,319
Employee costs:		
Wages and salaries	500,454	485,078
Social security costs	34,068	33,735
Other pension costs	17,370	17,361
	<hr/>	<hr/>
Other operating charges	551,892	536,174
	713,950	573,519
	<hr/>	<hr/>
	1,717,117	1,600,869
	<hr/> <hr/>	<hr/> <hr/>
Included in operating costs are:-	<u>2009</u>	<u>2008</u>
	£	£
Hire of plant and machinery	151,903	167,436
Auditors' remuneration	9,000	9,800
	<hr/> <hr/>	<hr/> <hr/>

GREAT CENTRAL RAILWAY PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

<u>3. DIRECTORS' EMOLUMENTS</u>	<u>2009</u>	<u>2008</u>
	<u>£</u>	<u>£</u>
Salaries	-	13,126
Pension scheme contributions to defined contribution schemes	-	656
	<u> </u>	<u> </u>
	-	13,782
	<u> </u>	<u> </u>

Retirement benefits are accruing to no director (2008 – one) under a defined contribution scheme at 31 January 2009.

The analysis of directors remuneration is as follows:-

	<u>2009</u>	<u>2008</u>
	<u>Salary</u>	<u>Salary</u>
	<u>and benefits</u>	<u>and benefits</u>
	<u>in kind</u>	<u>in kind</u>
	<u>£</u>	<u>£</u>
R J B Lovatt (died 14 July 2007)	-	13,126
	<u> </u>	<u> </u>
	-	13,126
	<u> </u>	<u> </u>

	<u>2009</u>	<u>2008</u>
	<u>Pension</u>	<u>Pension</u>
	<u>Cost</u>	<u>Cost</u>
	<u>£</u>	<u>£</u>
Directors' pension costs:-		
R J B Lovatt	-	656
	<u> </u>	<u> </u>
	-	656
	<u> </u>	<u> </u>

No emoluments were paid to directors during the year ended 31 January 2009.

GREAT CENTRAL RAILWAY PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. EMPLOYEE NUMBERS

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

	<u>2009</u>	<u>2008</u>
	<u>No.</u>	<u>No.</u>
Management (includes all unpaid directors)	11	10
Other	51	48
	-----	-----
	62	58
	=====	=====

5. INTEREST PAYABLE

		<u>2009</u>	<u>2008</u>
		£	£
Bank loan and overdraft repayable within five years	3,962	4,219	
On other loans		11,273	8,171
		-----	-----
		15,235	12,390
		=====	=====

6. TAXATION

	<u>2009</u>	<u>2008</u>
	£	£
Domestic current year tax	-	-
UK corporation tax	-	-
Over provision in prior years	-	(1,548)
	-----	-----
	-	(1,548)
	=====	=====

The company had losses available to carry forward against future trading profits at 31 January 2009 amounting to £2,899,500. There was no liability to deferred tax at 31 January 2009 as a result of losses carried forward.

GREAT CENTRAL RAILWAY PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. 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 2008	1,114,355	1,760,610	367,427	994,303	4,236,695
Additions	161,447	-	24,660	48,440	234,547
<hr/>					
At 31 January 2009	1,275,802	1,760,610	392,087	1,042,743	4,471,242
<hr/>					
<u>Depreciation</u>					
At 1 February 2008	421,499	723,901	293,271	645,376	2,084,047
Charged in year	16,821	26,372	16,249	49,094	108,536
<hr/>					
At 31 January 2009	438,320	750,273	309,520	694,470	2,192,583
<hr/>					
<u>Net Book Value</u>					
At 31 January 2009	837,482	1,010,337	82,567	348,273	2,278,659
<hr/>					
At 31 January 2008	692,856	1,036,709	74,156	348,927	2,152,648
<hr/>					

The accumulated provision for depreciation of £2,192,583 at 31 January 2009 includes £500,000 in respect of provision for impairment.

8. STOCKS

	<u>2009</u> £	<u>2008</u> £
Raw materials and consumables	17,553	12,706
Goods for resale	42,863	38,358
	<hr/>	<hr/>
	<u>60,416</u>	<u>51,064</u>

GREAT CENTRAL RAILWAY PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

<u>9. DEBTORS</u>	<u>2009</u>	<u>2008</u>
	£	£
Trade debtors	285,427	177,550
Other debtors	34,448	17,489
Prepayments and accrued income	4,758	18,179
	<hr/>	<hr/>
	324,633	213,218
	<hr/> <hr/>	<hr/> <hr/>

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

Trade debtors	207,387	154,682
	<hr/> <hr/>	<hr/> <hr/>

10. CREDITORS

Amounts falling due within one year:

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

<u>(b) Other</u>	<u>2009</u>	<u>2008</u>
	£	£
Loans	31,156	25,554
Trade creditors	282,460	269,887
Social security and other taxation payable	22,056	32,774
Other creditors	4,361	4,738
Accruals and deferred income	153,778	119,731
	<hr/>	<hr/>
	493,811	452,684
	<hr/> <hr/>	<hr/> <hr/>

Loans are repayable as follows:

	<u>2009</u>	<u>2008</u>
	£	£
Repayable on demand:		
Interest free	30,156	24,554
Interest at 5% per annum	1,000	1,000
	<hr/>	<hr/>
	31,156	25,554
	<hr/> <hr/>	<hr/> <hr/>

These loans are unsecured.

GREAT CENTRAL RAILWAY PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. 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.

Other

	<u>2009</u>	<u>2008</u>
	£	£
Accruals and deferred income	764,286	614,864
	<u> </u>	<u> </u>

Deferred income is capital grants not yet credited to profit.

These loans are unsecured.

12. LOAN MATURITY ANALYSIS

	<u>2009</u>	<u>2008</u>
	£	£
<u>Loans and overdraft</u>		
Due within one year	31,156	25,554
	<u> </u>	<u> </u>
<u>Debenture loan</u>		
Due in two to five years or later if no notice of repayment received	325,000	325,000
	<u> </u>	<u> </u>

13. SHARE CAPITAL

	<u>2009</u>	<u>2008</u>
	£	£
Authorised:		
20,000,000 ordinary shares of 25 pence per share	5,000,000	5,000,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid:		
11,878,808 ordinary shares of 25 pence per share	2,969,702	2,821,041
	<u> </u>	<u> </u>

During the year 594,645 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)

14. RECONCILIATION IN MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>2009</u>	<u>2008</u>
	£	£
Profit for the financial year	41,088	13,157
New share capital subscribed	148,661	36,771
	<hr/>	<hr/>
Increase in shareholders' funds	189,749	49,928
Opening shareholders' funds	968,881	918,953
	<hr/>	<hr/>
Closing shareholders' funds	1,158,630	968,881
	<hr/> <hr/>	<hr/> <hr/>

15. FINANCIAL COMMITMENTS

Capital expenditure contracted at 31 January 2009 for which no provision has been made in these accounts was as follows:

	<u>2009</u>	<u>2008</u>
	£	£
Contracted	Nil	Nil
	<hr/>	<hr/>

At 31 January 2009 the Company had annual commitments under non-cancellable operating leases as follows:

	<u>2009</u>	<u>2008</u>
	£	£
Operating leases which expire within:		
One year	2,355	5,386
	<hr/>	<hr/>

GREAT CENTRAL RAILWAY PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. 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 £17,370. (2008 - £17,361).

17. RELATED PARTY TRANSACTIONS

Certain directors have made unsecured loans to the company. At 1 February 2008, an amount of £10,177 was outstanding to directors. During the year no further advances were received and repayments of £9,000 were made. At 31 January 2009, £1,179 was outstanding to the directors. The loans carry interest at rates varying from 0% to 5.0% and are repayable on demand.

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. During the year, Great Central Railway plc received grants totalling £8,800 from Friends of the Great Central Main Line. A management fee of £4,000 was charged to Friends of the Great Central Main Line for the year ended 31 January 2009 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, 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 £37,614 to Loughborough Standard Locomotives Group during the year. At the year end £5,839 was owed to Loughborough Standard Locomotive Group Limited.

GREAT CENTRAL RAILWAY PLC

SUMMARY OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 JANUARY 2009

	<u>2009</u>	<u>2008</u>
	£	£
<u>INCOME</u>		
Ordinary fares	571,385	430,995
Santa Specials	134,547	128,577
Platform tickets	37,519	27,670
Restaurant car train fares, meals and drinks	409,664	446,119
Griddle car, retail and refreshment room	276,674	205,768
“Drive a Train” experience, special projects and other income	284,845	374,362
	<hr/>	<hr/>
	1,714,634	1,613,491
	<hr/> <hr/>	<hr/> <hr/>
<u>EXPENDITURE</u>		
Train operating and maintenance costs	697,594	676,096
Special event costs	82,189	76,624
Advertising and marketing costs	59,471	72,200
On-train catering costs	296,755	298,599
Retail and refreshment room costs	103,658	72,501
Management, administration and general overheads	394,393	340,160
	<hr/>	<hr/>
	1,634,060	1,549,180
	<hr/> <hr/>	<hr/> <hr/>
OPERATING PROFIT	80,574	64,311
Net Interest	(15,142)	(12,383)
Depreciation (less profits on disposal)	(79,654)	(76,453)
Non-recurring exceptional income	4,358	13,460
Revenue grants	51,386	30,595
Bad debts written off	(434)	(7,921)
	<hr/>	<hr/>
PROFIT FOR THE YEAR	41,088	11,609
	<hr/> <hr/>	<hr/> <hr/>