

Financial Statements

Great Central Railway PLC

For the year ended 31 January 2013

Registered number: 01257394

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Directors' Report

For the year ended 31 January 2013

The directors present their report and the financial statements for the year ended 31 January 2013.

Principal activities

The Company's principal aims have expanded over the past 5 years. It continues to create for present and future generations the experience of a main line railway and to re-enact the operation which took place during the best years of steam locomotives. Added to this is the result of major infrastructure changes which means turning traditional cost centres into revenue centres. Our locomotive works now produces in excess of £100k chargeable labour and it is the Board's intention to increase this as we move towards relocating the locomotive premises.

A major part of the strategic change is in the catering department. With the opening of Butler Henderson, Ellis Tea Rooms, The Platform and the company taking over the Refreshment Room at Loughborough, coupled to the development of catering with the Pullman Coaches and charters in general, the overall income on catering alone, has for the first time broken through the £1 million income barrier and generates some 40% of total turnover.

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

Review of the year

The Directors are pleased to report a year of continuing progress, revenue growth and infrastructure expansion despite difficult economic times. These challenges have been met with the development of new marketing ideas; bringing new 'products' into focus and evaluating them. However, while our major goals have been a resounding success in terms of income and customer satisfaction, (indeed, good profits have been achieved on individual events) overall costs have been too high and cannot be reduced, so it is of paramount importance that turnover is increased to match higher costs.

The booking office has continued its growth but against that, a second year of reduced income from the funds administered by the David Clarke Railway Trust (DCRT) (whose own revenues are understandably committed to various projects) combined with a further decline in income in our testing programme (which we partly attribute to the severe economic downturn), means the Great Central Railway plc (GCR) will record a reducing loss this year.

Our investment programme has continued unabated and many visitors have complimented us on the speed of this transformation. We have greatly benefited from the generosity and support of several stakeholders who have been incredibly generous in giving large sums of money through DCRT into specific projects. Over the last four years, close to £2.5million has been invested this way; from Lovatt House to Leicester North and at all points in between the benefits are being felt. We can be proud of the railway that we are maintaining and creating together. As we continue to lose money on a purely trading basis it is not possible to develop the company without the generosity of shareholders, stakeholders and the members of Friends of the Great Central Main Line. If the benefits arising from our investment income continue at the same level in the coming two years then we will have the tools to attract more families to a day out with Great Central Railway rather than a single return visit to Leicester North on a steam train. There is strong evidence that the concept is already working well and many visitors have expressed their thanks for having an enjoyable family day out!

Our ongoing objectives remain the same. To increase turnover, control costs wherever possible whilst ensuring safety and other essential compliance with regulations. At the same time we pay due regard to the heritage we are preserving. Balancing income to cost remains critical and is an area which is being addressed. The family market is still open to major expansion and it is heartening to see the change in emphasis with our customers. The following projects have now been finished and in most instances are fully financed.

Directors' Report

For the year ended 31 January 2013

Lovatt House

This is owned by DCRT and was completed in the last financial year at a total cost of slightly in excess of £500k. It has settled down but we have had problems with planning permission being granted for a change of use from offices to allow us to market conferences, weddings and parties. A somewhat restricted agreement was put in place last year and we now expect to benefit in a more positive financial way.

Butler Henderson

This is now operational and is also fully funded to a total figure of £175k with the additions necessary after completion. Turnover is ahead of budget but margins have fallen short of requirements and are being rectified. There are positive signs that the situation is improving and with more events taking place the situation is under control.

Turntable

The turntable opened on schedule for the October Gala and has been used on several occasions since then. Maximum benefit has not been achieved with very poor weather over the late winter months. Plans to better market this attraction and facility are being discussed and will be put in place.

Ellis Tea Room

The extension to the Ellis Tea Room was completed and has given customers more space and reduced queues at the weekend. With the ongoing development of the garden model railway, complete with a dozen or more gauge one steam locomotives, Rothley is developing into the first of our "family attractive" venues. The present Car Park facilities need to be enhanced in the near future. We have just, with stakeholder help, resurfaced the car park in a similar fashion to that at Quorn at minimal cost, with the help of both Caterpillar and Lafarge, to whom we give our heartfelt thanks.

Pullman Coaches

The success of these has been outstanding and their utilisation improving rapidly. In October 2011 we appointed a Charters Manager with excellent results to date. This has been particularly noticeable with marketing weddings, birthdays and anniversaries. The use of the Pullman Bar Cars and the Director's Saloon has brought in many bookings and with further marketing there is major growth on the horizon. This is one of the successes of the year in conjunction with the marketing department as a whole. With co operation from RVP we have added the Gresley Saloon and the Beavertail Observation Coach, which has already opened up further growth.

Canopy

Work continues apace on this major, £500k project. It is our intention to complete this by the middle of 2013, so may we make a plea for even more support to the magnificent efforts put in so far. With your continued help for the last section we will meet our target date. This is an achievement which we can all be proud of and one which transforms Loughborough. The canopy and Lovatt House are the two largest ventures ever taken on and both have been made possible via support from Friends, DCRT, shareholders and major gifts from stakeholders and well-wishers. We would remind shareholders that there is no income from the canopy and limited income from Lovatt House due to planning restrictions.

Directors' Report

For the year ended 31 January 2013

Greenacres

The acquisition of the Greenacres lease is of major importance to the Company. Whilst it has a conference centre and restaurant with magnificent views, it can also accommodate in its eight separate units workshops for training, skills and employment. These are operated through a partnership with Leicester City Council, Vital, Apex Works and other businesses. GCR will co-ordinate and oversee the transformation at Leicester North to ensure that it becomes a major tourism Gateway into the City of Leicester as well as a community based enterprise.

There are many opportunities for the development of tourism in the immediate area and we are in discussion with the Abbey Pumping Station and the Space Centre, where future joint attractions can be developed.

With the speed of progress we have appointed a manager for the site who has the necessary experience within the council and business sectors. We have also appointed an outside consultant who worked for East Midlands Development Agency (EMDA) and has been responsible for a number of our projects through EMDA. It is envisaged that the development of Greenacres will further encapsulate major fundraising both within Europe and locally. This will enhance our already successful fundraising team who have helped raise considerable sums for our various projects.

Railway Reunification

After many years of hope and frustration we are taking this opportunity to announce a major change in our fortune. Negotiations with Network Rail have been very fruitful and we expect the bridge to be installed over the Midland Main Line in the early part of 2015. This contract will be taken forward by Network Rail at a highly reduced cost of approximately £1 million. Fund raising will have started by the time the AGM arrives and more details will emerge between now and July. Whilst around £1 million will make the possibility of joining the north and south sections, a great deal of fund raising will have to take place before the first steam train can pass over the completed main line. This will reopen 200 years of railway development and will give us 18 miles of connected railway which will be the greatest achievement in the Heritage Railway movement.

The tantalising prospect of seeing heritage locomotives carried above modern units travelling at 100mph captures 200 years of railway history. Once again with your help, this can be one of railway preservation's proudest achievements.

Swithland Development

The completion of the signalling scheme at Swithland took place in May 2012 and is a culmination of the late David Clarke's double track project into which he put so much of his time, money and effort. What better epitaph could there be? Already it has opened up great operational flexibility which means more exciting galas and the ability to handle extra charter traffic independently of the regular timetable. During the last week of April we held our first Swithland Gala which proved to be a tremendous success and doubled the income for the week compared to the previous year. There is much to be developed and improved. This achievement, which has been in progress awaiting funds and development time for over 20 years is a resounding success. The S&T department are to be congratulated as it has resulted in our being awarded the supreme prize from the National Railway Heritage Awards, presented by Simon Jenkins Chairman of the National Trust (Signalling award for Swithland Sidings Signalling) against strong opposition, which included work by Network Rail.

Leicester North Museum

Following the successful launch of Greenacres we have been in discussion with both the National Railway Museum and Leicester City Council. On December 6th 2012 a tripartite agreement was signed by the three parties and much progress has been made with working parties and a project consultancy is now in place. A topographical survey has been completed and by the time of the AGM it is anticipated that the ecological survey will have also been finished. We must thank our partners for their tremendous support and enthusiasm in helping to create a major museum based in the centre of England with outstanding communications by road, rail and air. Leicester North is surrounded by motorway connections and the Leicester ring road, so access is first class.

Directors' Report

For the year ended 31 January 2013

The above developments have broken records for this Company in investment terms, speed of completion and raising the required funds so far. The combination gives the Company the opportunity to move forward and the Directors are confident that stage 1 of the Board's requirements and implementation of the 5 year plan have been met. There is still much to do to achieve financial success. Revalued properties followed by a 50% increase in insurance costs over the past 5 years, coal prices continuing to rise with limited alternative sources coupled to the cost of gas, diesel fuel and electricity add to the financial problems. We are not the only branch of the heritage sector that face severe economic difficulties, but we intend to forge ahead with controlled growth and continued success.

Financial Results

The directors are pleased to announce that the debenture for £325k held by the David Clarke Railway Trust as security has been converted into shares. The Trustees of the DCRT felt that the growing confidence in GCR plc warranted this change and it helped remove a possible debt against the company and allow further funding if required.

We have had meetings with our bank for the next year and are pleased to announce that the interest rate on any overdraft has been further reduced from 3.5 over base to 2.8 over base, which is an excellent achievement and shows the banks confidence in the company during these difficult times.

The loss for the year, after taxation, amounted to £115,596. This however includes Greenacres, which showed a loss of £47k largely due to the cost of opening for business. In effect this reduces the loss to £68,596 compared to a loss of £145,667 in 2012, another great step forward thanks to the efforts of all the team.

Despite the difficult trading times the company managed a small increase in turnover, but this was absorbed by increased costs. We now have the infrastructure to move towards profitability which the Board forecasts will occur in 2015 once the development projects have had time to generate business and profits.

The Future

There have been no Board changes with the year under review. The Board is responsible for safety, governance, finance and future planning and is supported by a Group Management Team who are responsible for day to day operations. The members of this group are responsible for the eight departments within the Railway and work very closely together in support of one another for the benefit of the Company.

With the positive news on both the Gap and the Museum projects there is a tremendous amount of work ahead with many challenges. The opportunity to achieve all our goals with success, funding the company with its extra costs caused by all the above, will remain a major challenge and one of which the Board is fully aware. The overall development costs are currently running at £2.5 million, all of which has been achieved by fund raising in its many guises be it stakeholder, shareholder or charitable donation. To those who have answered the appeal by increasing their shareholding and indeed all our other supporters, including the tremendous results from FoGCML we extend our heartfelt thanks. Without this continuing support we would not be able to survive.

It is worth pointing out that our breakeven point is approximately £45.5k per week which equates to almost £2.4 million per annum. On a week without any event our turnover averages £30k but this is supported by galas and all the attractions developed by our marketing team and the infrastructure that we have built up in the last 5 years. This is bringing our accounts almost to a break even position but development opportunities are still our major goal.

Directors' Report

For the year ended 31 January 2013

The Core Business

As always, we are indebted to our dedicated teams of volunteers without whose commitment and hard work we could not operate our scheduled train service. Our volunteers include not only footplate crews and train staff but also signalmen, station masters, ticket clerks, engineers, permanent way gangs etc. We should also pay tribute to the paid staff who often provide the continuity and consistency required to operate the regular and respected service levels that we have been able to achieve. Not least we should express our appreciation of the catering staff whose hard work succeeded in generating much needed income.

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, otherwise 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 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 of FoGCML continues to focus on maintaining and increasing its membership levels and, through that, promoting volunteer input. We are in a vanguard of changing the ageing demographic profile of our Railway and its volunteer force. The Board has approached this with some verve, for instance, our CME is 38 years of age, our Financial Accountant is 31, our Operations Manager is 23 and our newly appointed C & W and RVP Manager is 35. It is the Board's intention to continue this trend and we have apprentices in each department under training.

Key Performance Indicators (KPI's)

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

The ongoing 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

Directors' Report

For the year ended 31 January 2013

Safety Committee

The Company's Safety Committee, comprising representatives from all areas of the railway, meets quarterly under the leadership of Safety Manager and Director 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.

Environmental matters

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 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, WATTRAIN (World Association of Tourist, Trams and Trains.)

Tangible Fixed Assets

The movement in tangible fixed assets during the year is set out in note 7 to the accounts.

Directors

The directors who served during the year and their interest (including family interests) in the shares of the Company were:

	1 February 2012 or date of appointment	31 January 2013 or date of resignation
W J C Ford	191,120	198,400
K Byass	1,000	1,480
M Gregory	100,480	200,480
D T Morgan	56,000	98,960
R J Patching	110,360	190,840
M J Sheppard	12,172	12,412
A C Sparks	1,560	2,040
E H Smith	1,000	1,260

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.

Issue of Shares

During the year ended 31 January 2013 749,024 shares of 25p each have been allotted. At 31 January 2013 14,928,352 shares were in issue.

Directors' Report

For the year ended 31 January 2013

Shareholders' Interests	Holding	Shares
The David Clarke Railway Trust	36.5%	5,432,465
Charnwood Borough Council	7.0%	1,043,192
Leicester City Council	6.7%	1,000,000

At 31 January 2013, the above have interests exceeding 5% of the issued share capital of the Company.

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 55 days at 31 January 2013 (2012 - 58 days).

Directors' responsibilities statement

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

Directors' Report

For the year ended 31 January 2013

Provision of information to auditor

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

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

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

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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. 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.

This report was approved by the board on 8 June 2013 and signed on its behalf.

W J C Ford

Director

Independent Auditor's 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 2013, 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 directors and auditor

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

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 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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



Independent Auditor's Report to the Members of Great Central Railway PLC

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.

Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Leicester

12 June 2013

Profit and Loss Account

For the year ended 31 January 2013

	Note	2013 £	2012 £
Turnover	1,2	2,461,865	2,246,279
Operating costs		(2,494,366)	(2,304,555)
Release of capital grants		43,167	39,520
Depreciation of tangible fixed assets		(123,588)	(115,459)
		<hr/>	<hr/>
Operating loss	3	(112,922)	(134,215)
Interest receivable and similar income		7	-
Interest payable and similar charges	5	(2,681)	(11,452)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(115,596)	(145,667)
Tax on loss on ordinary activities		-	-
		<hr/>	<hr/>
Loss for the financial year	14	(115,596)	(145,667)
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account.

The notes on pages 14 to 23 form part of these financial statements.

Balance Sheet

As at 31 January 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	7		3,362,210		3,171,762
Investments	8		49		49
			<u>3,362,259</u>		<u>3,171,811</u>
Current assets					
Stocks	9	73,633		68,543	
Debtors: amounts falling due after more than one year	10	129,799		161,478	
Debtors: amounts falling due within one year	10	196,862		156,210	
Cash at bank		30,562		55,892	
			<u>430,856</u>	<u>442,123</u>	
Creditors: amounts falling due within one year	11	(538,756)		(590,307)	
Net current liabilities			(107,900)		(148,184)
Total assets less current liabilities			3,254,359		3,023,627
Creditors: amounts falling due after more than one year	12		(1,693,550)		(1,534,478)
Net assets			1,560,809		1,489,149
Capital and reserves					
Called up share capital	13		3,732,088		3,544,832
Profit and loss account	14		(2,171,279)		(2,055,683)
Shareholders' funds	15		1,560,809		1,489,149

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 June 2013.

W J C Ford
 Director

The notes on pages 14 to 23 form part of these financial statements.

Cash Flow Statement

For the year ended 31 January 2013

	Note	2013 £	2012 £
Net cash flow from operating activities	20	139,891	461,654
Returns on investments and servicing of finance	21	(2,674)	(11,452)
Capital expenditure and financial investment	21	(314,036)	(557,800)
Cash outflow before financing		(176,819)	(107,598)
Financing	21	151,489	117,307
(Decrease)/Increase in cash in the year		(25,330)	9,709

Reconciliation of Net Cash Flow to Movement in Net Funds/Debt

For the year ended 31 January 2013

	2013 £	2012 £
(Decrease)/Increase in cash in the year	(25,330)	9,709
Cash outflow from decrease in debt and lease financing	35,767	17,492
Change in net debt resulting from cash flows	10,437	27,201
Conversion of debenture into shares	-	325,000
Movement in net debt in the year	10,437	352,201
Net debt at 1 February 2012	(201,456)	(553,657)
Net debt at 31 January 2013	(191,019)	(201,456)

The notes on pages 14 to 23 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 January 2013

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The directors have produced financial forecasts for the next 12 months which indicate that the company will have sufficient funds to continue in operation.

The Company has an overdraft facility of £100,000 which is due for review in April 2014. This facility is personally guaranteed by current and former directors of the company. Consequently the directors consider it appropriate to continue to prepare the accounts on the going concern basis.

1.2 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.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long leasehold land and buildings	-	1%-4% per annum on cost
Railway track, ballast and signalling-cost	-	1.5% per annum on cost
Plant and equipment	-	10% - 20% per annum on cost
Rolling stock	-	5% per annum on cost

1.4 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.

1.5 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.

1.6 Stocks

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

1.7 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Notes to the Financial Statements

For the year ended 31 January 2013

1. Accounting Policies (continued)

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.9 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.10 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.

1.11 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.12 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Notes to the Financial Statements

For the year ended 31 January 2013

2. Turnover

An analysis of turnover by class of business is as follows:

	2013	2012
	£	£
Continuing activities	2,247,875	2,125,317
Own work capitalised	-	17,151
Other operating income	213,990	103,811
	<u>2,461,865</u>	<u>2,246,279</u>

All turnover arose within the United Kingdom.

3. Operating loss

The operating loss is stated after charging:

	2013	2012
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	123,588	115,459
Auditor's remuneration	10,050	9,700
	<u>133,638</u>	<u>125,159</u>

During the year, no director received any emoluments (2012 - £NIL).

4. Staff costs

Staff costs were as follows:

	2013	2012
	£	£
Wages and salaries	775,517	673,362
Social security costs	45,202	43,108
Other pension costs	15,824	15,884
	<u>836,543</u>	<u>732,354</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2013	2012
	No.	No.
Management (includes all unpaid directors)	12	12
Other	46	42
	<u>58</u>	<u>54</u>

Notes to the Financial Statements

For the year ended 31 January 2013

5. Interest payable

	2013 £	2012 £
On bank loans and overdrafts repayable within five years	1,441	1,402
On other loans	1,240	10,050
	<u>2,681</u>	<u>11,452</u>

6. Taxation

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

The company has losses available to carry forward against future trading profits at 31 January 2013 amounting to £3,001,750. No provision has been made for the deferred tax asset arising from these losses as the Directors cannot be certain that they will be realised in the foreseeable future

7. Tangible fixed assets

	Long leasehold land & buildings £	Railway track ballast & signalling £	Plant & equipment £	Rolling stock £	Total £
Cost					
At 1 February 2012	2,082,302	1,788,783	422,611	1,435,778	5,729,474
Additions	160,941	90,483	37,693	24,919	314,036
At 31 January 2013	<u>2,243,243</u>	<u>1,879,266</u>	<u>460,304</u>	<u>1,460,697</u>	<u>6,043,510</u>
Depreciation					
At 1 February 2012	506,433	829,922	358,124	863,233	2,557,712
Charge for the year	30,898	29,047	18,092	45,551	123,588
At 31 January 2013	<u>537,331</u>	<u>858,969</u>	<u>376,216</u>	<u>908,784</u>	<u>2,681,300</u>
Net book value					
At 31 January 2013	<u>1,705,912</u>	<u>1,020,297</u>	<u>84,088</u>	<u>551,913</u>	<u>3,362,210</u>
At 31 January 2012	<u>1,575,869</u>	<u>958,861</u>	<u>64,487</u>	<u>572,545</u>	<u>3,171,762</u>

The accumulated provision for depreciation of £2,681,300 at 31 January 2013 includes £500,000 in respect of provision for impairment.

Notes to the Financial Statements

For the year ended 31 January 2013

8. Fixed asset investments

	Share in participating investment £
Cost or valuation	
At 1 February 2012 and 31 January 2013	49

The company owns 49% of the ordinary share capital of the Great Central Railway Development Limited.

9. Stocks

	2013 £	2012 £
Raw materials and consumables	26,965	29,475
Goods for resale	46,668	39,068
	<u>73,633</u>	<u>68,543</u>

10. Debtors

	2013 £	2012 £
Due after more than one year		
Trade debtors	129,799	161,478
	<u>129,799</u>	<u>161,478</u>
Due within one year		
Trade debtors	157,092	113,668
Other debtors	208	8,152
Prepayments and accrued income	39,562	34,390
	<u>196,862</u>	<u>156,210</u>

Notes to the Financial Statements

For the year ended 31 January 2013

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

	2013	2012
	£	£
Loans	19,679	34,679
Trade creditors	323,120	380,656
Social security and other taxes	17,950	13,891
Other creditors	19,223	6,491
Accruals and deferred income	158,784	154,590
	<u>538,756</u>	<u>590,307</u>
	<u><u>538,756</u></u>	<u><u>590,307</u></u>

Any bank overdraft is secured by personal guarantees.

Loans are repayable as follows

	2013	2012
	£	£
Repayable on demand		
Interest free	18,679	33,679
Interest at 5% per annum	1,000	1,000
	<u>19,679</u>	<u>34,679</u>
	<u><u>19,679</u></u>	<u><u>34,679</u></u>

Notes to the Financial Statements

For the year ended 31 January 2013

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

	2013	2012
	£	£
Other loans	201,902	222,669
Accruals and deferred income	1,491,648	1,311,809
	<u>1,693,550</u>	<u>1,534,478</u>

Deferred income is capital grants not yet credited to profit

Loan maturity analysis

Loans	2013	2012
	£	£
Due within one year	19,679	34,679
Due in two to five years or later if no notice of repayment received	221,529	222,669
	<u>241,208</u>	<u>257,348</u>

The loans include £214,402 (2012 - £235,169) which is secured upon 6 coaches belonging to the Company comprising Kitchen Car 1525, Bar Car 1100, Bar Car 4758, two first Open coaches 3079 and 3042 and a Brake Vehicle 81343.

13. Share capital

	2013	2012
	£	£
Allotted, called up and fully paid		
14,928,352 (2012 - 14,179,328) Ordinary shares of £0.25 each	<u>3,732,088</u>	<u>3,544,832</u>

During the year 749,024 (2012 - 1,839,196) shares were issued at par. The invitation to subscribe for shares at par remains open to enable the Company to strengthen its capital base.

14. Reserves

	Profit and loss account
	£
At 1 February 2012	(2,055,683)
Loss for the year	(115,596)
	<u>(2,171,279)</u>
At 31 January 2013	<u>(2,171,279)</u>

Notes to the Financial Statements

For the year ended 31 January 2013

15. Reconciliation of movement in shareholders' funds

	2013	2012
	£	£
Opening shareholders' funds	1,489,149	1,175,017
Loss for the year	(115,596)	(145,667)
Shares issued during the year	187,256	459,799
	<u>1,560,809</u>	<u>1,489,149</u>

16. Capital commitments

At 31 January 2013 the company had capital commitments as follows:

	2013	2012
	£	£
Contracted for but not provided in these financial statements	<u>32,329</u>	<u>101,485</u>

17. 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 £15,824 (2012 - £15,884).

18. Operating lease commitments

At 31 January 2013 the company had annual commitments under non-cancellable operating leases as follows:

	2013	2012
	£	£
Expiry date:		
Within 1 year	-	1,320
Between 2 and 5 years	10,297	4,476
	<u>10,297</u>	<u>4,476</u>

Notes to the Financial Statements

For the year ended 31 January 2013

19. Related party transactions

Certain directors have made unsecured loans to the company. At 1 February 2013, an amount of £5,500 (2012 - £20,200) was outstanding to directors. £15,000 was repaid during the year. The loans carry interest at rates varying from 0% to 5.0% and are repayable on demand.

Mr A C Sparks, a director of the company during the year under review, is also a committee member of Friends of the Great Central Main Line (FoGCML). During the year, Great Central Railway plc received grants totalling £55,000 (2012 - £43,000) from FoGCML. A management fee of £4,000 (2012 - £4,000) was charged to FoGCML for the year ended 31 January 2013 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, £4,511 (2012 - £2,479) was owed to Friends of Great Central Main Line.

Mr M Sheppard, a director of the company for the year under review, is also a director of Town Tub (Loughborough) Ltd, a company that provides cleaning services to the company. Great Central Railway plc paid a total of £nil (2012 - £2,040) to Town Tub (Loughborough) Ltd during the year. At the year end £nil was owed to Town Tub (Loughborough) Ltd.

Mr M Gregory, a director of the company during part of 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 £26,679 (2012 - £15,642) from Cromwell Tools Limited and owed them £2,480 (2012 - £1,985) at the year end. Cromwell Tools Limited also provided an interest free loan to Great Central Railway plc of which £214,402 (2012: -£235,169) was outstanding at the year end.

Mr WJC Ford is a trustee of the David Clarke Railway Trust. During the year Great Central Railway plc received grants amounting to £352,222 (2012 - £471,578). To avoid any potential conflict of interest Mr WJC Ford excludes himself from any meeting at the David Clarke Railway Trust where grants to the Great Central Railway plc are being considered. During the year the company uses rolling stock owned by the David Clarke Railway Trust free of charge.

20. Net cash flow from operating activities

	2013	2012
	£	£
Operating loss	(112,922)	(134,215)
Depreciation of tangible fixed assets	123,588	115,459
Increase in stocks	(5,090)	(2,132)
(Increase)/decrease in debtors	(8,973)	62,398
Increase in creditors	143,288	420,144
	<hr/>	<hr/>
Net cash inflow from operating activities	139,891	461,654
	<hr/> <hr/>	<hr/> <hr/>

Notes to the Financial Statements

For the year ended 31 January 2013

21. Analysis of cash flows for headings netted in cash flow statement

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	7	-
Interest paid	(2,681)	(11,452)
	<u>(2,674)</u>	<u>(11,452)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(2,674)</u>	<u>(11,452)</u>
	2013 £	2012 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(314,036)	(557,800)
	<u>(314,036)</u>	<u>(557,800)</u>
	2013 £	2012 £
Financing		
Issue of ordinary shares	187,256	134,799
Repayment of other loans	(35,767)	(17,492)
	<u>151,489</u>	<u>117,307</u>
Net cash inflow from financing	<u>151,489</u>	<u>117,307</u>

22. Analysis of changes in net debt

	1 February 2012 £	Cash flow £	Other non-cash changes £	31 January 2013 £
Cash at bank and in hand	55,892	(25,330)	-	30,562
Debt:				
Debts due within one year	(34,679)	35,767	(20,767)	(19,679)
Debts falling due after more than one year	(222,669)	-	20,767	(201,902)
	<u>(201,456)</u>	<u>10,437</u>	<u>-</u>	<u>(191,019)</u>
Net debt	<u>(201,456)</u>	<u>10,437</u>	<u>-</u>	<u>(191,019)</u>

Registered number: 01257394

Great Central Railway PLC

Detailed Accounts

For the year ended 31 January 2013

Great Central Railway PLC

Summary of income and expenditure

For the year ended 31 January 2013

	2013	2012
Income		
Ordinary fares and special events	745,785	755,027
Platform tickets	27,912	18,793
Restaurant car train fares, meals and drinks	582,434	577,864
Griddle car, retail and refreshment room	445,462	380,087
"Drive a Train" experience	119,425	144,400
Hire of railway facilities	100,152	94,587
Contract engineering	127,419	67,044
Other income	92,046	83,947
The Platform & Greenacres	40,662	-
	<u>2,281,297</u>	<u>2,121,749</u>
Expenditure		
Train operating and maintenance costs	982,752	1,018,180
Special event costs	169,129	115,218
Advertising and marketing	76,559	97,354
On-train catering costs	378,580	358,002
Retail and refreshment room costs	263,791	226,609
Management, administration and general overheads	536,086	453,464
The Platform & Greenacres	87,471	-
	<u>2,494,368</u>	<u>2,268,827</u>
Operating Loss	<u>(213,071)</u>	<u>(147,078)</u>
Net interest	(2,672)	(11,451)
Net depreciation	(80,421)	(75,939)
Revenue grants	180,568	88,801
	<u>97,475</u>	<u>1,411</u>
Loss for the year	<u>(115,596)</u>	<u>(145,667)</u>