

# Financial Statements

## Great Central Railway PLC

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For the year ended 1 February 2015

Registered number: 01257394

**Contents**

	Page
<b>Strategic Report</b>	1-7
<b>Chairman's Statement</b>	8
<b>Director's Report</b>	9-11
<b>Independent Auditors' Report</b>	12
<b>Profit and Loss Account</b>	13
<b>Balance Sheet</b>	14
<b>Cash Flow Statement</b>	15
<b>Notes to the Financial Statements</b>	16-25
<b>Summary of Income and Expenditure</b>	26-27

# Strategic Report

For the year ended 1 February 2015

## Principal Activities

The company's principal aims remain the same in principle as expansion continues. Our unique attraction of having the only Main Line Preserved Railway, mainly double tracked, continues to be enjoyed by generations old and new. Whilst the percentage of steam enthusiasts has reduced due to the age profile of the original sector, our development which is much more family orientated is proving to be one of our major strengths. It still allows us to replicate the experience of rail travel as it was during the best years of steam and to show a wide variety of locomotives spanning their development.

All departments within Great Central Railway plc remain on course and have progressed well. It remains the Board's intention to further develop each sector and the initial information shows that it remains on target. The major area of constraint is obtaining qualified staff to help expand the turnover which is essential to cover the major increase in costs. The demand is there, but our ability to satisfy it is a major concern.

The railway's financial results continue to depend significantly on the success of the various special events held throughout the year. Yet again the Santa season had an increase in turnover, but we feel that we have almost reached the limit of future development. It remains the hardest event to cover because it covers the period from November 23<sup>rd</sup> to Christmas Eve and staffing it is extremely difficult. A great deal of effort goes into this event headed by Kate Tilley and her team and supported by Richard Patching as general manager. We need to recruit more volunteers as whilst we get really good reviews it depends on the quality of staff. The same is true for the War Weekend where Christine Brown continues to do an excellent job with the committee.

The company currently enjoys "non profit distribution status" and its Articles of Association prohibit the payment of dividend or distributions to shareholders. With regard to monies received from subscriptions for shares the year under review proved extremely disappointing with some £40k less in purchases, which is the very life blood of the balance sheet. The main reason has been the "Bridge to the Future" appeal which has gone very well and well ahead of plans under Tom Ingall's guidance and hard work. We anticipate that the appeal for £1 million will be reached by the middle of 2015.

## Review of the Year

Once again, the directors are pleased to report yet another year of continued progress, revenue growth and major infrastructure expansion. The turnover has again moved forward to over £3 million which when viewed against the income of 2008 gives us an increase in excess of 100%. That is the healthy part of the equation, but costs both in terms of personnel and steady increases at all levels continues to be a major concern. With the appointment of Andy Bennett as Volunteer Co-ordinator we hope to see this position more than paying for itself as we monitor and attract more enthusiasts to support the railway on a voluntary basis. The initial results are very encouraging as we move forward.

Our investment programme continues at a pace showing revenue growth and infrastructure expansion. The company has managed to continue growth from the initial economic difficulties of 2008, with continuing growth during the first three months of the current financial year. The projects reported on last year have either been completed or are still being developed. A great deal is being achieved with the fantastic help of a few specific sponsors, without which development would cease.

Whilst work continues with the infrastructure the amount of management time is currently at a critical stage. The two projects of the Gap and the prospects of the museum take up a great deal of time and have to be funded by our sponsors and shareholders. This is why the shareholder fund is of critical importance and needs further development if we are to be successful in the future, so the Board needs to re concentrate on share sales during the current year.

# Strategic Report

For the year ended 1 February 2015

An area of ongoing importance and development, which must be emphasised is that of Friends of the Great Central Main Line under the hard work of Andy Fillingham and his committee who bring so much goodwill and support income for GCR plc. Membership continues to grow slowly and fluctuates between 4,500 and 5,000 members, depending on renewal dates. FoGCML achieves a great deal and especially for the high profile achieved by its membership. We mustn't neglect the 600 volunteers, some of whom work exceedingly long hours in critical positions which are of paramount importance to the operation of the railway. Without the expertise of Graham Bannister and his excellent team in the S&T department coupled to the P Way support of Andrew Higginson and the P Way team we would not be able to maintain our development which is essential to the ongoing success of GCR plc.

We must increase turnover and reduce costs wherever possible whilst complying with the regulations in full. We continue to pay due regard to the Heritage which we are preserving, but at the same time develop the business to match income to cost. This remains a key issue for the future and there are times when the Heritage and development side clash. It must be understood that running steam trains, without developing the business is simply non-viable. We have changed our strategic development drastically in the last 8 years with a determination to work towards a tourist centre within the County and East Midlands, working with our partners in Leicester City and Charnwood Borough Council, both of whom are substantial shareholders of the company. We have seen what Richard III has done for Leicester along with the Space Centre, the Abbey Pumping Station and others and it is our intention to develop the business with these partners.

## Bridge to the Future

This has been a solid year of progress and a magnificent fund raising strategy to date, led by Tom Ingall, supported by Mike Firth, Friends and a whole band of volunteers who have moved heaven and earth to achieve a figure which is expected to reach on or about £1 million by the time of the GCR plc AGM. It must also be emphasised that a very small consortium of individuals have raised and donated a very substantial part of the overall total, which shows great faith in your railway.

It is anticipated that a final design will be passed well before the AGM and that work will commence on the infrastructure to accommodate a new single span bridge deck, which obviates the necessity for a central support and also gives us the major advantage of having the two Reading bridges which will be used one for the structure approaching the main bridge and the one to go over Railway Terrace. Whilst the costs of the initial bridge have obviously gone up in overall terms we get three bridges in total which, with the refurbished canal bridge solves our bridge part of the connection to the Midland Main Line. Work is going on with the Gap project and having passed the environmental checks we are in a position to move forward as and when funds are available. To see the bridge in place will save an estimated £3 million due to the fact that Network Rail are our partners on a community basis. It has taken almost 40 years to get this dream into reality and will give us a tremendous boost once the remainder of the bridge and track work has been completed.

## Museum at Leicester North

As shareholders will know we failed to be selected for the museum at Leicester North, but were highly commended on our application and were recommended to reapply. With the generous help of our partners, the NRM and in particular, generous financial support from Leicester City Council we submitted our second application on December 1<sup>st</sup> 2014. On February 16<sup>th</sup> we had our day's presentation to the Heritage Lottery Fund and this was received extremely well. We were told that we had addressed every additional question and were told that it was the most professional application for many years. This is thanks to a tremendous amount of hard work by our project management team, led by Focus.

In the last few days we have learned that we have been successful in our £10 million HLF bid. This has come as a tremendous boost and puts GCR plc in a different category. We initially will receive £494k to put together the final programme and this will be followed by the remaining £9.5 million when the project is finally accepted. There is a tremendous amount of work ahead which will take place in the next year to eighteen months with a final build completion at the earliest of October 2019. The Project Board consisting of GCR plc, Leicester City Council, Leicestershire County council and the NRM will strive to meet this deadline and are already working on the necessary match funding.

# Strategic Report

For the year ended 1 February 2015

## Quorn

The development via the David Clarke Railway Trust has now almost been completed, complimenting the drainage work which was carried out in the previous year. The combined cost is just over £100k and as well as a major tidy up on the whole site, led by Richard Bruce and his Quorn team, the ambience at Quorn is changing dramatically. Our thanks go to BIFFA for their £50k grant and also to Caterpillar for their similar amount on the resurfacing after drainage was installed. The developments are ongoing and the income from Butler Henderson continues to be a major contributor as events continue to evolve. During the year we have obtained a ten year lease on a 10 acre field at Quorn station and this is already proving to be a major factor in allowing the company to continue progress in transforming Quorn into a major event area.

During the year Bill Devitt has retired, although he is still on hand to assist Simon Stant who has taken over the role of Project Manager in charge of testing. The Board would like to thank Bill for his years of help in developing this important sector. Simon has managed to obtain and manage the contract with Brush for their Class 73 locomotive.

There are further developments right across the spectrum and it is difficult to pick out individual achievements. However, the testing programme was highly successful during the year, boosted by an episode of Ripper Street and Casualty, involving a lot of extra work, particularly for the operations and marketing departments. The loco shed beat its target and we are in a unique position of having up to 8 engines available for steaming at any one time. This is due to the ongoing repair and maintenance carried out by CME, Craig Stinchcombe and his team. The contract engineering side went well and exceeded its budget. It remains our intention to continue increasing staff and training apprentices for the future. The same can be said for Carriage and Wagon where much has been achieved, but the whole sector of rolling stock has produced a major challenge for the future and is at a critical stage, with lack of investment over the last 40 years.

The S&T department does a fantastic job led by Graham Bannister and supported with an excellent team including Shawn Sanders and Peter Robinson. The whole department has achieved a great deal and the response to the new Swithland signal box and sidings has been very positive. Our P Way department works unobtrusively, but helps to maintain the high standard which our testing department demands due to the high speed capability and testing required. The opening up of the Main Line will transform our ability to test at competitive rates.

## Catering and charters

We have seen this as a major revenue earner and continued progress has been maintained. Last year was the first time that the £1 million overall catering figure was reached and this had gone up in leaps and bounds over the previous five years. This growth has continued and the total for the year under review has gone up by a further £114,497 to a new total of £1,178,651. This total in relationship to the overall turnover is approximately 35% of the £3,298,303 which proves that our strategy in developing the business is both a strong one and very successful, particularly as the margins on catering have continued to improve. There is still some room for an increase in the margins being achieved, but the upward trend is extremely encouraging and it is good to be able to report that all our catering departments have been well managed with an extremely high percentage of satisfied customers. It is one of the most pleasing aspects of customer satisfaction whereby we receive many very positive letters of thanks for not only the quality, but also the friendliness of the catering management and staff. The on train catering side headed up by James McIntosh and his team is highly successful.

# Strategic Report

For the year ended 1 February 2015

## Financial Results

The overall result for the year continues to be impressive and shows a small profit for the second year running. It is up from £10,296 to £12,273 and on the turnover up from £2,910,373 to £3,298,303, including revenue grants, and has been achieved despite increasingly high depreciation costs which are up on the previous year by £10k, whilst the revenue grants are down by £8k. If these factors had remained the same as last year the profit would have increased by the difference, but one of many improvements is that cash flow remains positive and the balance sheet has improved considerably. An important factor is that the net current assets have further improved during the year from a liability of £13,246 to a positive of £44,543. The total assets less current liabilities has moved up from £3,471,824 to £3,827,636.

Our creditor situation is extremely good. It is not many years ago that creditors got paid in four months and we have previously reported a drastic improvement in this situation. At the moment it is running at 28 days which gives us excellent financial stability with no creditor issues that we are aware of at this time. With the advent of a new software package our accounting procedures have also improved beyond measure and we are now getting monthly management accounts within the first 15 working days, which is excellent by any standard and constitutes yet another major step forward in our ability to review our financial situation at any one time. The accounts department consisting of Caroline Pollard (nee Mate) and Emma Axton are to be congratulated on the improvement which has made such a difference to management's ability to manage.

Our relationships with our bankers remain very strong and we have not been into overdraft even for a day during the whole year. This is a first and one which protects us against charges, which remain competitively low. We are due for our annual bank review in June, but do not anticipate any difficulties.

## The Future

It is good to be able to look forward with confidence to build on the achievements of the last few years. Running a steam railway is not the easiest way to make money. If one looks at the subsidies put in to the operating companies within Network Rail it is apparent that despite increased traffic major losses continue. In a service industry confined to tracks there is no margin and if we relied on engines as our only source of income, this report would not be written. The cost of overhaul and the cost of maintenance and repairs far outweighs passenger income and this will always be the case, particularly in our cost of operation in what can hardly be called a main tourist area. However, with the developments in hand and achievable this will be transformed, but we have a long way to go financially to achieve these goals. It is essential that we improve our shareholding income, as whilst the money raised has no effect on the profit and loss account, every pound raised by the sale of shares directly improves the balance sheet and it is this which is the very life blood of your company.

It remains for the Board to offer it's thanks to all the volunteers for their efforts during the year. Without them we could not survive and part of our future strategy is to enhance the volunteer numbers. Of course, our shareholders are a critical area of support and the Board would like to see further investment which helps to sustain our growth. Please therefore make further share purchases a fact of life for the benefit of future generations. We are building a unique Heritage Railway with incredible possibilities and we should all be proud of our current achievements.

This report was approved by the Board April 24<sup>th</sup> 2015

# Strategic Report

For the year ended 1 February 2015

## 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:

- Safety of the operation
- Visitor attendance and commercial usage
- Reliability 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 not only uses our assets, otherwise unused during the normal working week, but also 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.

# Strategic Report

For the year ended 1 February 2015

## 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;
  1. We are slightly better than break-even; we have moved into profit in the year under review
  2. Visitor numbers have increased from 72,000 to 137,200 in 6 years.
  3. Contract engineering has increased over the last five years from a zero base to £141,000 in 5 years.
  4. Rail testing is going through a very tough time. Last year produced growth, but with Network Rail opening up two testing centres the opportunities have reduced.
  5. Filming is also growing area. This remains difficult to determine.
  
- Cash flow;
  1. The balance sheet has improved and this is a key task to continue this improvement in 2015 -16
  
- The management of debt owed by the Railway
  1. Our debt has steadily reduced and in the last year outstanding creditors moved from 44 to 28 days. This is a major achievement.

## 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.



# Strategic Report

For the year ended 1 February 2015

## Conclusion

We asked for your continued and generous support as a shareholder. The Board is extremely grateful for all your support over the years and in many instances demonstrated by substantial holdings. With all the ongoing development work and looking into our future the requirement for funding is absolutely essential to our progress, which will make us truly a world attraction, which could not be duplicated in the future. That is a legacy that we can all help to leave for future generations. We can only be custodians and pass on to others the benefits of the growth we are achieving. To see and appreciate what is probably the Industrial Revolution's greatest achievement created by our forefathers at a time when Great Britain led the world is surely something to aim for so that successive generations can appreciate our input and wonder in awe. Let us therefore continue to go "Forward" together.

This report was approved by the board on 24 April 2015 and signed on its behalf by:-

**W J C Ford**  
Director

# Chairman's Statement

For the year ended 1 February 2015

It gives me great pleasure to announce another successful year for the Great Central Railway. Under the leadership of Managing Director Bill Ford, with the full support of our General Manager Richard Patching, our heritage railway has seen both continued growth in its core business and success in three major projects.

Members will be aware of the success of the bid for a grant from the Heritage Lottery Fund (HLF) to build a new railway museum at Leicester North in partnership with Leicester City Council and the National Railway Museum (NRM). The HLF have agreed a grant of £9.5 million upon completion of the full plans and in the meantime has awarded just under £500,000 to help us and our partners to develop our plans accordingly. This is the first major HLF grant awarded to Leicestershire and we are hugely grateful to the small team who have led the project from its inception. The museum will relate the story of the GCR and the part it played in shaping the social and economic history of the region. It will add yet another attraction to our already successful railway which has seen spectacular growth in the last 7 years. The museum will do much to enhance Leicester North as a destination, as well as providing more space to the NRM to exhibit items of their National Collection. Our thanks must also go to Sir Peter Soulsby, Mayor of Leicester, and Paul Kirkman, Director of the NRM, and their teams for their help and support during the formulation of this project.

Our project for "Bridging the Gap" is making steady progress and our fundraising has nearly reached the seven figure sum of one million pounds. The project will also benefit from a £1m grant from the Leicester and Leicestershire Enterprise Partnership towards the other elements of the 'Gap'. Lili Tabiner, with all her previous fundraising knowledge and success with the East Midlands Development Agency works closely with the LLEP and other fundraising entities. The erection of a new bridge over the Midland Mainline, which is being undertaken on our behalf by Network Rail is progressing. The design and planning stages are almost complete and work should start on site in the autumn. Timing will be largely dependent on the East Midlands Line electrification as line closure may afford opportunities for easier access. Meanwhile work is underway on the remaining sections now that the ground work investigations have been completed.

Thirdly, the Mountsorrel Branch is now being prepared for the official opening of The Heritage Centre at the end of October and will add a new attraction to the railway. Initially it will be used sparingly for special events and will not be fully operational until major signalling work can be completed.

It is worth remembering that our core business is vitally important both for the railway as a whole but also the success of the three projects I have referred to above. Perhaps most significant of all is the fact that we have made a small profit for the second year running. Growth in both visitor numbers and turnover means that we continue to be one of the top visitor destinations in the East Midlands and customer satisfaction remains at an all-time high.

The Strategic Report has quite rightly singled out some key individuals for praise but they are the first to recognise that it is the team as a whole that has made all this possible. Since last year's report there have been few changes to the Board. Dennis Wilcock has decided to retire from the Board and I would like to thank him for his input. I am glad to say, Dennis will continue to edit Main Line. I could hardly let the year pass by without mentioning our President, Michael Gregory, who as a director has done much to support us. His generosity has allowed the GCR to benefit from his acquisition of the 9F and financially, his contributions have enabled the board to invest in various projects.

Finally, our thanks must also go to our army of volunteers without whom the railway would not be able to operate. Throughout the year, their continued support across all aspects of the operation enables us to be one of the best heritage railways in the world.

David Morgan MBE, TD  
Chairman

# Directors' Report

For the year ended 1 February 2015

The directors present their report and the financial statements of the company for the year ended 1 February 2015.

## Results

The profit for the period, after taxation, amounted to £12,273

## Directors

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

	1 February 2014 or date of appointment	1 February 2015 or date of resignation
W J C Ford	203,680	208,960
K Byass	1,960	2,440
M Gregory	200,480	200,480
D T Morgan	99,920	100,880
R J Patching	208,120	208,600
M J Sheppard	12,652	12,892
E H Smith	2,280	3,240
D Wilcock	14,904	16,304

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 1 February 2015 329,328 shares of 25p each have been allotted. At 1 February 2015 15,697,524 shares were in issue.

Shareholders' Interests	Holding	Shares
The David Clarke Railway Trust	34.9%	5,480,520
Charnwood Borough Council	6.6%	1,043,192
Leicester City Council	6.4%	1,000,000

At 1 February 2015, 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 28 days at 1 February 2015 (2014 - 44 days).

## Going Concern

The directors have a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

# Directors' Report

For the year ended 1 February 2015

## 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.

## 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, Menzies LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

# Directors' Report

For the year ended 1 February 2015

## Strategic Report

The company has chosen in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the company's Strategic Report the Company's Strategic Report Information Required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

This report was approved by the board on 24 April 2015 and signed on its behalf by:-

**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 1 February 2015 which comprise the Profit and Loss Account, Balance Sheet, 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 shareholders, 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 shareholders 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 shareholders 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 set out on page 10, 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 APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://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 1 February 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, 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.

Lynton House  
7-12 Tavistock Square  
London  
WC1H 9LT

1 June 2015

MALCOLM LUCAS, FCA  
(Senior Statutory Auditor)  
For and on behalf of  
MENZIES LLP  
Chartered Accountants  
& Statutory Auditor

# Profit and Loss Account

For the year ended 1 February 2015

	Note	2015	2014
		£	£
Turnover	1, 2	<b>2,653,248</b>	2,487,251
Cost of sales		<b>(2,514,727)</b>	(2,130,859)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>138,521</b>	356,392
Distribution costs		-	-
Administrative expenses		<b>(770,006)</b>	(767,999)
Other operating income	2	<b>645,055</b>	423,122
		<hr/>	<hr/>
<b>Operating profit</b>		<b>13,570</b>	11,515
Interest receivable and similar income		<b>26</b>	59
Interest payable and similar charges	5	<b>(1,323)</b>	(1,278)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		<b>12,273</b>	10,296
Tax on profit or loss on ordinary activities	6	-	-
		<hr/>	<hr/>
<b>Profit on ordinary activities after taxation</b>		<b>12,273</b>	10,296
		<hr/>	<hr/>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

The notes on pages 16 to 25 form part of these financial statements.

# Balance Sheet

As at 1 February 2015

	Note	2015		2014	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	7		<b>3,783,044</b>		3,485,021
Investments	8		<b>49</b>		49
			<hr/>		<hr/>
			<b>3,783,093</b>		3,485,070
<b>Current Assets</b>					
Stocks	9	<b>81,494</b>		76,983	
Debtors: amounts falling due after more than one year	10	<b>93,833</b>		143,434	
Debtors: amounts falling due within one year	10	<b>275,634</b>		266,975	
Cash at bank		<b>156,331</b>		115,571	
			<hr/>		<hr/>
		<b>607,292</b>		<b>602,963</b>	
<b>Creditors: Amounts falling due within one year</b>	11	<b>(562,749)</b>		(616,209)	
			<hr/>		<hr/>
<b>Net current assets/(liabilities)</b>			<b>44,543</b>		(13,246)
<b>Total assets less current liabilities</b>			<b>3,827,636</b>		3,471,824
<b>Creditors: Amounts falling due after more than one year</b>	12		<b>(2,051,965)</b>		(1,790,744)
			<hr/>		<hr/>
<b>Net assets</b>			<b>1,775,671</b>		1,681,080
<b>Capital and reserves</b>					
Called-up share capital	13		<b>3,924,381</b>		3,842,063
Profit and Loss Account	14		<b>(2,148,710)</b>		(2,160,983)
			<hr/>		<hr/>
<b>Shareholders' funds</b>	15		<b>1,775,671</b>		1,681,080
			<hr/>		<hr/>

The financial statements were approved by the Board of Directors on 24 April 2015.

**W J C Ford**

Director

The notes on pages 16 to 25 form part of these financial statements.



# Cash Flow Statement

For the year ended 1 February 2015

Note	2015	2014
	£	£
Net cash flow from operating activities	21 <b>462,138</b>	214,096
Returns on investments and servicing of finance	22 <b>(1,297)</b>	(1,219)
Capital expenditure and financial investment	22 <b>(453,692)</b>	(254,643)
	<hr/>	<hr/>
<b>Cash inflow before financing</b>	<b>7,149</b>	(41,766)
Financing	<b>33,611</b>	126,775
	<hr/>	<hr/>
<b>Increase/(Decrease) in cash in the year</b>	<b>40,760</b>	85,009
	<hr/>	<hr/>

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

For the year ended 1 February 2015

	2015	2014
	£	£
Increase/(Decrease) in cash in the year	<b>40,760</b>	85,009
Cash inflow/(outflow) from decrease in debt and Lease financing	<b>48,708</b>	(16,800)
	<hr/>	<hr/>
<b>Change in net debt resulting from cash flows</b>	<b>89,468</b>	68,209
	<hr/>	<hr/>
<b>Movement in net debt in the year</b>	<b>89,468</b>	68,209
Net debt at 1 February 2014	<b>(122,810)</b>	(191,019)
	<hr/>	<hr/>
<b>Net debt at 1 February 2015</b>	<b>(33,342)</b>	(122,810)
	<hr/>	<hr/>

The notes on pages 16 to 25 form part of these financial statements.

# Notes to the Financial Statements

For the year ended 1 February 2015

## I. Accounting Policies

### I.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 June 2015. 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.

### I.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.

### I.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%-3.33% per annum on cost
Plant and equipment	-	10%-20% per annum on cost
Rolling stock	-	5% per annum on cost

No depreciation is provided on assets in the course of construction.

### I.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.

### I.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.

Income from government grants is recognised in the profit and loss account to match with the expenditure towards which they are intended to contribute. To the extent that grants are made as a contribution towards expenditure on fixed assets, income is recognised over the expected useful economic lives of the related assets.

### I.6 Stocks

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

# Notes to the Financial Statements

For the year ended 1 February 2015

## I. Accounting Policies (continued)

### I.7 Operating Leases

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

### I.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.

### I.9 Pension Scheme

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.

### I.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.

### I.11 Investments

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

### I.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 1 February 2015

## 2. Total income

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

	2015 £	2014 £
Continuing activities	2,653,248	2,487,251
Own work capitalised	-	-
Other operating income	645,055	423,122
	<u>3,298,303</u>	<u>2,910,373</u>

All turnover arose within the United Kingdom.

The company received government grants during the year of £14,805 (2014 - £80,000).

## 3. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the company	154,466	131,832
Audit of the financial statements	9,250	7,750
Operating leases:		
Plant and Machinery	5,760	4,608
Other	-	-
Taxation compliance services	<u>1,200</u>	<u>650</u>

During the year, no director received any emoluments (2014 - £NIL).

## 4. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	963,697	836,405
Social security costs	55,997	47,275
Other pension costs	20,823	16,077
	<u>1,040,517</u>	<u>899,757</u>

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

	2015 No.	2014 No.
Management (includes all unpaid directors)	12	12
Other	62	59
	<u>74</u>	<u>71</u>

# Notes to the Financial Statements

For the year ended 1 February 2015

## 5. Interest payable

	2015 £	2014 £
Bank loan and overdraft repayable within five years	3	238
On other loans	1,320	1,040
	<u>1,323</u>	<u>1,278</u>

## 6. Taxation

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

The company had losses available to carry forward against future trading profits at 31 January 2015 amounting to £2,738,751 (2014, £2,835,790). 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

Cost	Long leasehold land & buildings £	Railway track ballast & signalling £	Plant & equipment £	Rolling stock £	Asset under construction £	Total £
At 1 February 2014	2,369,253	1,879,266	518,776	1,530,858	0	6,298,153
Additions	63,097	0	143,715	122,001	124,879	453,692
	<u>2,432,350</u>	<u>1,879,266</u>	<u>662,491</u>	<u>1,652,859</u>	<u>124,879</u>	<u>6,752,145</u>
<b>Depreciation</b>						
At 1 February 2014	569,653	888,016	399,854	955,609	0	2,813,132
Charge in year	33,288	29,047	40,686	52,648	0	155,669
	<u>602,941</u>	<u>917,063</u>	<u>440,540</u>	<u>1,008,257</u>	<u>0</u>	<u>2,968,801</u>
<b>Net book value</b>						
At 1 February 2015	1,829,409	962,203	221,951	644,602	124,879	3,783,044
At 31 January 2014	1,799,600	991,250	118,922	575,249	0	3,485,021

The accumulated provision for depreciation of £2,968,801 at 31 January 2015 includes £500,000 in respect of provision for impairment.

# Notes to the Financial Statements

For the year ended 1 February 2015

<b>8. Fixed asset investments</b>	<b>Share in Participating Investment £</b>
<b>Cost or valuation</b>	
At 1 February 2014 and 1 February 2015	<b>49</b>
	<u>          </u>

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

<b>9. Stocks</b>	<b>2015 £</b>	<b>2014 £</b>
Raw materials and consumables	<b>21,299</b>	24,994
Goods for resale	<b>60,195</b>	51,989
	<u>          </u>	<u>          </u>
	<b>81,494</b>	76,983
	<u>          </u>	<u>          </u>

<b>10. Debtors</b>	<b>2015 £</b>	<b>2014 £</b>
<b>Due after more than one year</b>		
Trade debtors	<b>93,833</b>	143,434
	<u>          </u>	<u>          </u>
<b>Due within one year</b>		
Trade debtors	<b>130,551</b>	69,295
Other debtors	<b>208</b>	10,653
Prepayments and accrued income	<b>144,875</b>	187,027
	<u>          </u>	<u>          </u>
	<b>275,634</b>	266,975
	<u>          </u>	<u>          </u>

# Notes to the Financial Statements

For the year ended 1 February 2015

## II. Creditors: Amounts falling due within one year

	2015	2014
	£	£
Loans	32,479	37,479
Trade creditors	296,387	376,976
Social security and other taxes	21,536	13,022
Other creditors	8,238	8,895
Accruals and deferred income	204,109	179,837
	<hr/>	<hr/>
	<b>562,749</b>	<b>616,209</b>
	<hr/> <hr/>	<hr/> <hr/>
Loans are repayable as follows	2015	2014
	£	£
<b>Repayable on demand:</b>		
Interest free	32,479	36,479
Interest at 5% per annum	-	1,000
	<hr/>	<hr/>
	<b>32,479</b>	<b>37,479</b>
	<hr/> <hr/>	<hr/> <hr/>

# Notes to the Financial Statements

For the year ended 1 February 2015

## 12. Creditors:

### Amounts falling due after more than one year

	2015 £	2014 £
Other loans	157,194	200,902
Accruals and deferred income	1,894,771	1,589,842
	<u>2,051,965</u>	<u>1,790,744</u>

Deferred income is capital grants not yet credited to profit.

### Loan maturity analysis

	2015 £	2014 £
<b>Loans</b>		
Due within one year	32,479	37,479
Due in two to five years or later if no notice of repayment received	157,194	200,902
	<u>189,673</u>	<u>238,381</u>

The loans include £164,694 (2014 - £190,402) 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

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
15,697,524 (2014 – 15,368,252) Ordinary shares of £0.25 each	3,924,381	3,842,063
	<u>3,924,381</u>	<u>3,842,063</u>

During the year 329,280 (2014 – 439,900) 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 2014	(2,160,983)
Profit/(loss) for the year	12,273
At 1 February 2015	<u>(2,148,710)</u>



# Notes to the Financial Statements

For the year ended 1 February 2015

## 15. Reconciliation of movement in shareholders' funds

	2015 £	2014 £
Opening shareholders' funds	1,681,080	1,560,809
Profit for the year	12,273	10,296
Shares issued during the year	82,320	109,975
Closing shareholders' funds	<u>1,775,673</u>	<u>1,681,080</u>

## 16. Capital commitments

At 1 February 2015 the company had capital commitments as follows:

	2015 £	2014 £
Contracted for but not provided in these financial statements	-	-

## 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 £20,841 (2014 - £16,077).

## 18. Operating lease commitments

At 1 February 2015 the Company had annual commitments under non-cancellable operating leases as follows:

Expiry date:	2015		2014	
	Land & buildings £	Plant & machinery £	Land & buildings £	Plant & machinery £
Within 1 year	-	-	-	-
Between 2 and 5 years	22,000	7,728	-	7,728
After more than 5 years	-	-	22,000	-

# Notes to the Financial Statements

For the year ended 1 February 2015

## 19. Related party transactions

Certain directors have made unsecured loans to the company. At 1 February 2015, an amount of £23,000 (2014 - £46,000) was outstanding to directors. £23,000 was repaid during the year. The loans carry an interest rate of 0%.

Mr M Gregory, a director of the company 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 £38,863 (2014 - £13,178) from Cromwell Tools Limited and owed them £2,141 (2014 - £2,714) at the year end. Cromwell Tools Limited also provided an interest free loan to Great Central Railway of which £164,694 (2014 - £190,402) 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 £585,846 (2014 - £297,091). 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 are being considered. During the year the company used rolling stock owned by the David Clarke Railway Trust free of charge. The company charged the David Clarke Railway Trust £101,152 (2014 - £153,309) in respect of works on locomotives owned by the Trust.

## 20. Post balance sheet events

Since the year end, the company has been awarded development funding of £500,000 from the Heritage Lottery Fund for a railway museum at Leicester North, and earmarked funding of £9.5 million for the project.

## 21. Net cash flow from operating activities

	2015	2014
	£	£
Operating profit/(loss)	13,570	11,515
Depreciation of tangible fixed assets	155,668	131,832
Increase in stocks	(4,511)	(3,350)
(Increase)/decrease in debtors	40,942	(83,748)
Increase in creditors	256,469	157,847
	<hr/>	<hr/>
Net cash inflow from operating activities	462,138	214,096
	<hr/>	<hr/>

# Notes to the Financial Statements

For the year ended 1 February 2015

## 22. Analysis of cash flows for headings netted in cash flow statements

	<b>2015</b>	2014
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	<b>26</b>	59
Interest paid	<b>(1,323)</b>	(1,278)
	<hr/>	<hr/>
<b>Net cash outflow from returns on investments and servicing of finance</b>	<b>(1,297)</b>	(1,219)
	<hr/>	<hr/>
	<b>2015</b>	2014
	£	£
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	<b>(453,692)</b>	(254,643)
	<hr/>	<hr/>
	<b>2015</b>	2014
	£	£
<b>Financing</b>		
Issue of ordinary shares	<b>82,319</b>	109,975
Repayment of other loans	<b>(48,708)</b>	16,800
	<hr/>	<hr/>
<b>Net cash inflow from financing</b>	<b>33,611</b>	126,775
	<hr/>	<hr/>

## 23. Analysis of changes in net debt

	1 February 2014 £	Cash Flow £	1 February 2015 £
Cash in hand and at bank	115,571	40,760	156,331
Debt due within one year	(37,479)	5,000	(32,479)
Debt due after one year	(200,902)	43,708	(157,194)
	<hr/>	<hr/>	<hr/>
<b>Net debt</b>	<b>(122,810)</b>	<b>89,468</b>	<b>(33,342)</b>
	<hr/>	<hr/>	<hr/>

Registered number: 01257394

Great Central Railway PLC

Detailed Accounts

For the year ended 1 February 2015

**The following pages do not form part of the statutory financial statements  
which are the subject of the independent auditor's report on page 12.**

# Summary of income and expenditure

For the year ended 1 February 2015

	2015 £	2014 £
<b>Income</b>		
Ordinary fares and special events	958,047	857,687
Platform tickets	38,492	35,664
Restaurant car train fares, meals and drinks	666,770	609,845
Griddle car, retail and refreshment room	511,881	454,309
“Drive a Train” experience	105,345	99,809
Hire of railway facilities	148,218	56,194
Contract engineering	316,450	276,909
Other income	190,834	152,404
The Platform & Greenacres	95,378	92,688
	<hr/>	<hr/>
	<b>3,031,415</b>	<b>2,635,509</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Expenditure</b>		
Train operating and maintenance costs	1,339,148	1,135,507
Special event costs	259,882	155,215
Advertising and marketing	84,694	80,882
On-train catering costs	360,005	333,175
Retail and refreshment room costs	333,992	303,129
Management, administration and general overheads	680,267	683,094
The Platform & Greenacres	131,909	122,951
	<hr/>	<hr/>
	<b>3,189,792</b>	<b>2,813,953</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Operating Loss</b>	<b>(158,377)</b>	<b>(178,444)</b>
Net Interest	(1,297)	(1,219)
Net depreciation	(94,941)	(84,905)
Revenue grants	266,888	274,864
	<hr/>	<hr/>
<b>Profit for the year</b>	<b>12,273</b>	<b>10,296</b>
	<hr/> <hr/>	<hr/> <hr/>