

**GRAND CENTRAL RAILWAY COMPANY LIMITED**

**Annual report and financial statements**

**For the Year Ended 31 December 2020**

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<b>GRAND CENTRAL RAILWAY COMPANY LIMITED</b>
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**Company Information**

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<b>Directors</b>	S English D Brown C Bainbridge
<b>Registered number</b>	03979826
<b>Registered office</b>	1 Admiral Way Doxford International Business Park Sunderland Tyne and Wear SR3 3XP
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Central Square South Orchard Street Newcastle upon Tyne NE1 3AZ

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<b>GRAND CENTRAL RAILWAY COMPANY LIMITED</b>
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# GRAND CENTRAL RAILWAY COMPANY LIMITED

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## Strategic report For the Year Ended 31 December 2020

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The directors present their Strategic report for the year ended 31 December 2020.

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the provision of passenger train services.

### REVIEW OF BUSINESS

The company made a loss before tax of £39,567,000 (2019: profit of £9,137,000). The company's financial performance and position have been severely impacted by the coronavirus (COVID) pandemic.

For a large proportion of the year the business was in hibernation, whilst still incurring several fixed costs such as train leasing charges. For periods in the year where the company was able to run services, passenger revenue was impacted heavily by changes in passenger travel patterns and capacity limits arising from government travel restrictions.

The company also incurred costs as a result of the termination of the North West project to commence a new train service from Blackpool to Euston. The company incurred demobilisation costs and impairment costs of previously capitalised assets relating to this project. This included mobilisation costs and impairments of IFRS 16 assets (Note 6).

At 31 December 2020 the company had net liabilities of £20,031,000 (2019: net assets £20,050,000). The movement reflects the loss for the financial year.

During 2020, the company's net cash position was negatively impacted by the factors noted above and the resulting losses incurred by the company. At 31 December 2020, the company had utilised £13m under a new pooled credit facility with its ultimate parent. This compares to a previous positive cash balance of £13m in group cash pooling at the beginning of the 2020. The ultimate parent continues to provide funding support to the company, with further information provided in the Future Developments section of this report.

### PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the company's strategy are subject to a number of risks. The most significant risk and uncertainty affecting the company relates to the impact of the coronavirus or COVID pandemic on demand for the company's services and whether sufficient financial support will be available to enable the company to continue to operate. Further discussion of these risks and uncertainties in the context of the group as a whole, is provided in the annual report of the UK intermediate parent company, Arriva plc, which does not form part of this report.

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## GRAND CENTRAL RAILWAY COMPANY LIMITED

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### Strategic report (continued) For the Year Ended 31 December 2020

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#### FUTURE DEVELOPMENTS

The company is a wholly owned subsidiary of Deutsche Bahn AG ('DB') and part of the Arriva group which DB heads. As a public transport operator, the Arriva group has been significantly impacted by the COVID pandemic with a resulting impact on passengers, colleagues, and other business stakeholders. The Arriva group has and continues to work closely with both local and national government bodies and transport authorities on support measures to ensure continuation of critical transportation services during the pandemic.

The company's open access arrangements and resulting absence of any revenue support from the UK government means the ongoing impact of COVID on travel patterns, and passenger revenues, may continue to negatively impact the company's financial performance and position. The directors are in regular discussion with its parent group on potential funding options including potential additional borrowing facilities and equity that would strengthen the company's financial position and mitigate any near-term solvency issues that may arise from a prolonged continuation of the current difficult trading conditions.

#### Liquidity and funding risk

The company voluntarily participates in a group cash and credit facility pooling arrangement operated by its ultimate parent, DB. This is a long-standing arrangement operated by DB to manage the liquidity needs of DB group companies. The company utilises a DB credit facility under this arrangement, which the directors expect will continue to be utilised over the going concern assessment period to meet the company's operational requirements. Under this arrangement substantially all the company's cash and utilised credit facility balances are swept into the group cash pool at the end of each business day.

The company is currently dependent on the DB credit facility for daily access to the cash flows required to operate over the assessment period to support the going concern assertion. This facility is renewed on a monthly basis by DB to agree both the continuation and limit of the facility and is not formally committed for any period. The company will require increases to the current facility available to meet the company's operational requirements over the next 12 months.

Given the facility could be withdrawn each month, the directors acknowledge that this indicates the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. However, the directors consider this risk to be highly improbable, as such action would contradict internal group policies and be inconsistent with past practice. Since inception of the pooling arrangement, the company has never experienced any issue being able to draw upon its cash and available facility balances within the group cash pool to settle its liabilities as they fall due.

#### Trading risk

In completing their going concern assessment, the directors have also considered the continued impact of COVID on the company's financial position, based on severe but plausible downside scenarios, along with associated management actions to mitigate those impacts on the company's cash and DB credit facility position.

The directors have assessed the company's expected DB credit facility funding requirements with its parent group and determined that an increased facility is required to cover the company's cash requirements over the next 12 months under either management's base case or plausible downside scenarios. The company is currently trading in line with its base case scenario. The directors have agreed a funding plan for the company with DB which would provide sufficient additional funding to meet its cash requirements under its potential severe but plausible downside scenario. The directors consider the risk that the additional funding is not available to be highly improbable, as such action would contradict internal group policies and be inconsistent with past practice. As there is no guarantee that a formal commitment will be in place for this additional funding under the DB credit facility, this also indicates the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

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## GRAND CENTRAL RAILWAY COMPANY LIMITED

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### Strategic report (continued) For the Year Ended 31 December 2020

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#### FUTURE DEVELOPMENTS (continued)

##### Outcome of directors' going concern assessment

The directors have prepared the financial statements on a going concern basis as they have a reasonable expectation that the company will continue to have full and immediate access to its pooled credit facility balances with DB and that management actions over the assessment period will be sufficient, including agreement of additional funding, such that adequate financing will be in place and that the company will continue to operate for the foreseeable future.

However, the conditions referred to above indicate the existence of material uncertainties which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not contain the adjustments that would arise if the company were unable to continue as a going concern.

#### SECTION 172 STATEMENT

The directors work to promote the success of the company, by considering the impact that their decisions may have on the company and the company's stakeholders. The issues and factors which have guided the directors' decisions are outlined in the 'Review of business' and the 'Principal Risks and Uncertainties' sections of this report.

The company's key stakeholders include, but are not limited to:

- Deutsche Bahn AG
- Customers (including passengers)
- Employees
- Trade Unions
- Suppliers (including Network Rail)
- Office of Rail and Road (ORR)
- Local communities in which the company operates.

During the financial year ended 31 December 2020 the company's financial performance was significantly impacted by the COVID pandemic. The company is a fully commercial business, and with no fare revenue support being received from the UK Government's COVID control measures, the directors made a difficult and principal decision to temporarily hibernate the operations of the company from 4 April 2020 to 25 July 2020, and then again from 7 November to 2 December 2020. Following the periods of hibernation, the company recommenced services with reduced services and capacity to meet demand, and the UK Government's guidelines on social distancing. As a result of hibernation and reduced services the majority of the company's employees were on furlough during 2020 and the company made use of UK Government support to partially cover personnel costs.

As the COVID situation worsened in the UK, to the company returned to operational hibernation in November/December 2020 (again utilising the UK Government furlough and employment support scheme). Business mitigation measures were implemented by the company in the financial year ended 31 December 2020, including the directors taking the principal decisions to terminate its project to open a new route between Blackpool and London and to restructure the company to reduce future operating costs.

The Arriva group's values are working as "One Arriva", providing great customer experience, doing the right thing and thinking beyond. These values underpin the Arriva group's strategy and vision. Arriva group's vision is to be the preferred mobility partner of choice by customers, and its strategy is to have the best employees to strengthen its existing strong foundation and improve its business to create a platform for growth.

The directors of the company aim to meet at least four times in each financial year to discuss the matters that cannot be delegated under the Companies Act 2006. They believe that good governance, which is key to driving the success of the company. The directors aim to behave and make decisions in line with the values of the Arriva group, as well as maintaining good relationships with all stakeholders who are critical to the long-term success of the company.

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## GRAND CENTRAL RAILWAY COMPANY LIMITED

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### Strategic report (continued) For the Year Ended 31 December 2020

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#### SECTION 172 STATEMENT (continued)

During the financial year ended 31 December 2020, despite the challenging operating environment, the company continued to engage with its customers and customer groups to ensure a positive customer experience (including passengers and Network Rail), by using all forms of social media and our family of Volunteer Station Ambassadors.

The implementation of the strategy and policies of the company, including those relating to its relationships with key stakeholders, are managed locally by the board of the company, and oversight is provided by the Arriva UK Trains Leadership team. Any major matters of interest are then communicated to the Arriva Management Board (the "AMB"), a subcommittee of the board of Arriva plc. The membership of the AMB includes the Managing Director of the UK Trains division.

The company takes payment practice commitments to suppliers seriously and seeks to ensure prompt payment of invoices (in line with the Arriva group's policies) and there is a clear process in the event of any invoice dispute. The company believes that prompt payment of invoices is key to facilitating a good relationship with its suppliers.

The company is committed to the communities that it serves. At Arriva group a Director of Corporate and Social Responsibility ("CSR") has oversight of strategic commitments for CSR for the Arriva group, which forms part of the wider business strategy for the Arriva group.

Within its individual business functions, Arriva staff are able to volunteer for charities and projects in the local community, this includes supporting local schools with career advice, as well as various types of fund raising and other community projects. Business functions align this work in a manner that fits with their structure and that maximises the benefit that the company can deliver to its communities.

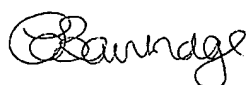
Further information on engagement with employees during the financial year ended 31 December 2020 is provided in the 'Employee engagement' section of the Directors' report.

Further information on engagement with customers during the financial year ended 31 December 2020, is provided in the 'Engagement with suppliers, customers and others' section of the Directors' report.

#### KEY PERFORMANCE INDICATORS

The Management Board of Deutsche Bahn AG, the ultimate parent company, manage the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the company. The development performance and position of the group, including this company, is discussed in the Deutsche Bahn group's Integrated Report which does not form part of this report.

This report was approved by the board on 11 August 2021 and signed on behalf of the board.



**C Bainbridge**  
Director

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**GRAND CENTRAL RAILWAY COMPANY LIMITED**

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**Directors' report  
For the Year Ended 31 December 2020**

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The directors present their report and the audited financial statements for the year ended 31 December 2020.

**RESULTS AND DIVIDENDS**

The loss for the year, after tax, amounted to £38,870,000 (2019 - profit £8,851,000).

The company did not pay a dividend during the year (2019 - £3,000,000).

**DIRECTORS**

The directors of the company who were in office during the year, and up to the date of signing the financial statements were:

S English  
A Furlong (resigned 3 December 2020)  
M A Dale (resigned 3 January 2020)  
C Bainbridge (appointed 14 January 2020)  
D Hatfield (resigned 1 May 2021)  
R H McClean (resigned 1 May 2021)  
C D D Burchell (resigned 9 October 2020)  
M E C Hewitt (resigned 1 January 2020)  
D Brown (appointed 1 May 2021)

**POST BALANCE SHEET EVENTS**

Details of post balance sheet events are detailed in Note 25 to the financial statements.



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<b>GRAND CENTRAL RAILWAY COMPANY LIMITED</b>
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**Directors' report (continued)**  
**For the Year Ended 31 December 2020**

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**EMPLOYEE ENGAGEMENT**

The company recognises that its employees are key to its success and it is committed to creating a working environment where everyone has the opportunity to learn, develop and contribute to the success of the company, whilst working within a common set of values.

The Arriva group conducts biennial employee surveys which are used to highlight areas of improvement, and areas of concern. The Arriva Management Board oversees initiatives to improve any areas of improvement highlighted by the surveys, as well as maintaining those areas highlighted as working well. The results of the employee surveys are communicated via the group's intranet and Yammer pages, in addition meetings are held by line managers with their teams in order to address areas of concern and seek employee input to find solutions.

The financial year ended 2020 was a difficult year for the company as the directors of the company took the principal decision to put the company's operations into hibernation due to the impact of COVID, which resulted in the majority of its employees being on furlough for the year. Further information on the company's operational hibernation can be found in the Section 172 Statement on page 3. During the company's hibernation. The biennial employee engagement results highlighted a high level of employee engagement, coupled with understandable concern about future employment risks in the company in the light of the challenges of COVID.

Information on matters impacting employees, including initiatives arising following the employee surveys, are communicated to employees through briefings via line managers, email bulletins and using the Arriva group's intranet. There is also a weekly update on the Arriva group's intranet highlighting success stories. The update is also used to improve connectivity within the Arriva group and to promote working together as One Arriva. In addition, the company provides weekly newsletters and wellbeing updates to its employees.

In 2019 Arriva group launched 'GAIN' for Mental Health, which is the Arriva group's Global Arriva Inclusion Network aimed at promoting support for mental health and encouraging employees to share their stories in order to tackle mental health concerns and provide support to the wider Arriva group.

The company aspires to be an employer of choice and to employ a diverse workforce with the skills, abilities and attitudes to meet the company's business objectives and needs. The company's aim is to provide appropriate remuneration, benefits and conditions of employment which serve to attract, retain, motivate and reward its employees.

The company has, subject to the restraints of commercial confidentiality, a policy of employee involvement and inclusion, by making information available to employees about recent and future developments and business activities of the company, including financial and economic factors that may have impacted on the company's performance.

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## **GRAND CENTRAL RAILWAY COMPANY LIMITED**

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### **Directors' report (continued) For the Year Ended 31 December 2020**

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#### **EMPLOYEE ENAGAGEMENT (continued)**

The company supports suitable individuals to complete the Arriva L3 Team Leader/Supervisor Apprenticeship course, which is provided via the Institute of Rail Operators. This apprenticeship course covers matters relating to management knowledge, skill areas and behavioural management development. This apprenticeship course is aimed at equipping the individual to move into higher level roles and participating in further development courses offered by the Arriva group, such as 'Lift off for Leadership' and 'Emerging Leaders'.

Employees of the company participate in the Arriva group 'Emerging Leaders' programme which is aimed at identifying and developing future leaders whose next step is a senior manager role, and who demonstrate the performance, potential and aspiration required to progress to this. As part of this programme candidates are required to complete an assessment for development which gives them the opportunity to discuss their career goals and experience in more detail and receive valuable feedback on their strengths and development areas against the Arriva Leadership Model. The assessment results in a development plan, highlighting what steps they can take to help them achieve their career goals. Following the assessment certain candidates progress to the next phase, which includes leadership workshops and projects.

Employees of the company also participate in the 'Lift Off for Leadership' programme. This programme is for individuals who are still in the early stages of their career, who have demonstrated the potential to be a leader of the future. The programme focuses on improving readiness for broader roles. Participants join a 12-month programme of workshops and ongoing development activities, including coaching and job shadowing.

#### **DISABLED EMPLOYEES**

The company continues to give full and fair consideration to applications for employment by disabled persons, having regard to their respective aptitudes and abilities. The company's policy includes, where applicable, the continued employment of those who may become disabled during their employment.

#### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

Deutsche Bahn AG is the principal source of funding for Arriva plc and its subsidiaries. The Arriva group's financial risks, including liquidity risks and those arising from interest rates, commodity prices and currency fluctuations are managed in accordance with the Deutsche Bahn treasury policy. For further details relating to financial risk management please refer to the Deutsche Bahn 2020 Integrated Report (<https://ir.deutschebahn.com/en/reports/db-group-and-db-ag/>).

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## GRAND CENTRAL RAILWAY COMPANY LIMITED

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### Directors' report (continued) For the Year Ended 31 December 2020

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#### ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS

The company's long-term success is dependent on fostering strong and effective business relationships with key stakeholders. The company's key stakeholders include, but are not limited to:

- Deutsche Bahn AG
- Customers (including passengers)
- Employees
- Suppliers (including Network Rail)
- Office of Rail and Road (ORR)
- Local communities in which the company is based.
- Trade Unions

The company is part of the Arriva plc group, and its ultimate parent company is Deutsche Bahn AG.

The implementation of strategies and policies of the company, including those relating to its relationships with key stakeholders, are managed locally by the board of the company, and oversight is provided by the Arriva UK Trains Leadership team. Any major matters of interest are then communicated to the Arriva Management Board (the "AMB"), a subcommittee of the board of Arriva plc. The membership of the AMB includes the Managing Director of the UK Trains division.

The company engages extensively with national and local passenger groups, and collects feedback from customers through a variety of methods:

- Communication with Transport Focus, which is a lobbying group acting on behalf of passengers. This ensures an ongoing dialogue about important issues affecting passengers.
- Receiving feedback and complaints directly from passengers via the company's Customer Relations service. Key issues arising from the Customer Relations service, along with volumes and agreed KPIs, are reported to the company's management team to ensure passenger issues are being heard and addressed.
- the company participates in the National Rail Passenger Satisfaction Survey, a twice-yearly survey of passenger views across all train operators in the UK.
- Station Ambassadors are a group of volunteers who work at all of the stations that the company operates, engaging with passengers and providing the company's management with insight from the feedback received and support provided.

Despite the impact of COVID, and the principal decision taken by the directors of the company to temporarily hibernate the company's operations during periods of 2020, the company continued to make efforts to maintain engagement with stakeholders by using social media and volunteer station ambassadors.

Further information on how the directors have fostered relationships with suppliers and the local communities in which the company is based is detailed in the Section 172 statement in the Strategic Report.

Further information on how the company has fostered relationships with its employees during the financial year ended 31 December 2019 is provided in the Employee Engagement section of this report.

#### MATTERS COVERED IN THE STRATEGIC REPORT

Details of future developments and consideration of the company's ability to continue as a going concern have been disclosed in the Strategic report.

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## GRAND CENTRAL RAILWAY COMPANY LIMITED

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### Directors' report (continued) For the Year Ended 31 December 2020

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#### STREAMLINED ENERGY AND CARBON RERPORTING DISCLOSURE (SECR)

UK energy consumption and greenhouse gas emissions for the company for the period 1 January 2020 to 31 December 2020.

Energy usage for the Company in the UK	Current reporting year 2020
Scope 1 - Fuel use from transport and combustion of natural gas/tCO <sub>2</sub> e*	11,916
Scope 2 - Emissions resulting from the purchase of electricity, including heat, steam or cooling (location based)/tCO <sub>2</sub> e*	17
Scope 3 - Emissions from business travel in rental cars or employee owned vehicles where the company is responsible for purchasing the fuel/tCO <sub>2</sub> e*	-
Total gross emissions/tCO <sub>2</sub> e*	11,933
tCO <sub>2</sub> e* per full time equivalent employees	60
Engery consumption used to calculate the above emissions/kWh	110,794

\* tCO<sub>2</sub>e means tonnes (t) of carbon dioxide (CO<sub>2</sub>) equivalent (e)

#### Methodology

The company is required for the first time to report its UK energy use and carbon emissions in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 which implement the UK Government's policy on Streamlined Energy and Carbon Reporting. The data detailed in the table represents emissions and energy use for which the company is responsible and does not represent data for the whole Arriva group.

As a wholly owned subsidiary of Deutsche Bahn AG, the company is bound to use their approved emission factors for site energy and the source for site consumption emission factors is the GEMIS database (GEMIS: IINAS, Darmstadt (Germany)). To calculate the emissions, the company has used the UK Government GHG Conversion Factors for Company Reporting 2020.

#### Environmental policy

The company strives for best practice in environment, health, wellbeing and safety ('EHS') and aims to play an important role in the reduction of greenhouse gases to stabilise the increase in global temperatures, reduce the company's ecological footprint, deliver business efficiencies and protect the environment.

The Arriva group has an EHS policy, which consists of the group's internal environmental risk assurance standards and is built around the following objectives:

- robust environmental management and risk assurance;
- clear accountability;
- clear communication of goals and progress;
- targeting improvements in CO<sub>2</sub>e emissions, Energy, Water and Waste; and
- ensuring compliance with local law regulations, and that key environmental risks are mitigated.

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<b>GRAND CENTRAL RAILWAY COMPANY LIMITED</b>
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**Directors' report (continued)**  
**For the Year Ended 31 December 2020**

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**STREAMLINED ENERGY AND CARBON RERPORTING DISCLOSURE (SECR) (continued)**

**Environmental policy (continued)**

The existing environmental strategy for the Arriva group is called Destination Green. The strategy focuses on 4 key areas; fuel use, water consumption, site energy use and recycled waste, and all Arriva group businesses are required to measure their usage in these areas. The next version of the strategy will be aligned to the ambitious goal to support sustainable communities and will set an ambitious net zero carbon goal by 2050.

The company has an environmental policy in place that incorporates the Arriva group Destination Green strategy and works with group partners through the Arriva Environmental Improvement Network.

**Energy efficiency actions**

The company, and the Arriva group, are committed to reducing their carbon footprint.

As part of a Rail Standards and Safety Board research project, the company will be trialling a Liquefied Natural Gas and diesel-powered engine on one Class 180 vehicle (the 'Dual Fuel Trial'). If the trial is successful and implemented across the company's fleet of vehicles there will be a significant reduction in diesel fuel usage in the company.

The Dual Fuel Trial commenced in 2018, and was scheduled to be trialled in 2020, however, unfortunately given the COVID pandemic and the company's operational hibernation the Dual Fuel Trial has been delayed.

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**GRAND CENTRAL RAILWAY COMPANY LIMITED**

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**Directors' report (continued)**  
**For the Year Ended 31 December 2020**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the audited financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors 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.

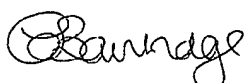
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

**DIRECTORS' CONFIRMATIONS**

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the board on 11 August 2021 and signed on its behalf.



**C Bainbridge**  
Director

# Independent auditors' report to the members of Grand Central Railway Company Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Grand Central Railway Company Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2020; the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1.1 to the financial statements concerning the company's ability to continue as a going concern. The company is reliant on the continued funding from its ultimate parent undertaking, Deutsche Bahn AG (DB) in the form of a credit facility. The credit facility is renewed on a monthly basis and is not formally committed for any period, therefore, it could be withdrawn during the period of 12 months from the date of approval of the financial statements, which may result in the company not being able to continue to meet its operational funding requirements. In addition, to cover their base case cash requirements over the next 12 months the company needs to agree an increase to its credit facility limit with DB. However, there is no guarantee or formal commitment in place for an increase in the DB credit facility. These conditions, along with the other matters explained in note 1.1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Emphasis of matter - Material uncertainty in relation to impairment of tangible assets

In forming our opinion on the financial statements, which is not modified, we draw attention to the material uncertainty in relation to the carrying value of the tangible assets as explained in note 2 to the financial statements. Grand Central Railway Company Limited has recognised an impairment of £3,673,000 to write down the assets to their estimated recoverable values. Although the directors' have based the impairment on their best estimate of the expected recovery in passenger numbers, there is a material uncertainty driven by the potential of a smaller or slower recovery in passenger numbers than anticipated which could result in further impairment charges against the carrying amount of the tangible assets.

# Independent auditors' report to the members of Grand Central Railway Company Limited (continued)

## Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

## Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

## Responsibilities for the financial statements and the audit

### Responsibilities of the directors for the financial statements

As explained more fully in the statement of Directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.



# Independent auditors' report to the members of Grand Central Railway Company Limited (continued)

## Auditors' responsibilities for the audit of the financial statements (continued)

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to employment and tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce the company's loss before interest and tax. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Review of board minutes;
- Evaluation of management's controls designed to prevent and detect irregularities, in particular their anti-bribery controls;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to asset impairment reviews and consideration of the impact of COVID-19 on going concern;
- Review of legal expenditure in the year to identify potential non-compliance with laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

## Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Craig Willis (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Newcastle

11 August 2021

# GRAND CENTRAL RAILWAY COMPANY LIMITED

## Statement of comprehensive income For the Year Ended 31 December 2020

	Note	2020 £000	2019 £000
Turnover	4	15,416	54,545
Cost of sales		(36,076)	(39,023)
<b>GROSS (LOSS)/PROFIT</b>		<b>(20,660)</b>	<b>15,522</b>
Administrative expenses		(20,221)	(5,866)
Other operating income	5	2,042	-
<b>OPERATING (LOSS)/PROFIT</b>	6	<b>(38,839)</b>	<b>9,656</b>
Interest receivable and similar income	10	19	83
Interest payable and similar charges	11	(747)	(602)
<b>(LOSS)/PROFIT BEFORE TAX</b>		<b>(39,567)</b>	<b>9,137</b>
Tax on (loss) / profit	12	697	(286)
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<b>(38,870)</b>	<b>8,851</b>
<b>OTHER COMPREHENSIVE (EXPENSE) / INCOME</b>			
<b>Items that may be reclassified to profit or loss:</b>			
Changes in market value of cash flow hedges	21	(1,115)	750
Deferred tax attributable to changes in market value of cash flow hedges	20	(96)	(128)
		(1,211)	622
<b>TOTAL COMPREHENSIVE (EXPENSE) / INCOME FOR THE FINANCIAL YEAR</b>		<b>(40,081)</b>	<b>9,473</b>

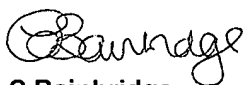
The notes on pages 18 to 39 form part of these financial statements.

**GRAND CENTRAL RAILWAY COMPANY LIMITED**  
Registered number: 03979826

**Balance sheet**  
**As at 31 December 2020**

	Note	2020 £000	2019 £000
<b>FIXED ASSETS</b>			
Intangible assets	14	-	733
Tangible assets	15	33,043	40,489
		<u>33,043</u>	<u>41,222</u>
<b>CURRENT ASSETS</b>			
Stocks	16	37	39
Debtors	17	2,564	16,459
Cash at bank and in hand		2	13
		<u>2,603</u>	<u>16,511</u>
Creditors: amounts falling due within one year	18	(33,255)	(11,907)
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(30,652)</u>	<u>4,604</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,391</u>	<u>45,826</u>
Creditors: amounts falling due after more than one year	19	(22,422)	(25,776)
		<u>(20,031)</u>	<u>20,050</u>
<b>NET (LIABILITIES)/ASSETS</b>		<u><u>(20,031)</u></u>	<u><u>20,050</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	22	100	100
Share premium account		10,304	10,304
Cash flow hedge reserve		(1,684)	(473)
Profit and loss account		(28,751)	10,119
<b>TOTAL SHAREHOLDERS' (DEFICIT) / FUNDS</b>		<u><u>(20,031)</u></u>	<u><u>20,050</u></u>

The financial statements on pages 15 to 39 were approved and authorised for issue by the board and were signed on its behalf on 11 August 2021.



**C Bainbridge**  
Director

The notes on pages 18 to 39 form part of these financial statements.

**GRAND CENTRAL RAILWAY COMPANY LIMITED**

**Statement of changes in equity  
For the Year Ended 31 December 2020**

	Called up share capital £000	Share premium account £000	Cash flow hedge reserve £000	Profit and loss account £000	Total shareholders' funds / (deficit) £000
<b>At 1 January 2019</b>	<b>100</b>	<b>10,304</b>	<b>(1,095)</b>	<b>4,268</b>	<b>13,577</b>
<b>Comprehensive income for the year</b>					
Profit for the financial year	-	-	-	8,851	8,851
Changes in market value of cash flow hedges	-	-	750	-	750
Deferred tax attributable to changes in market value of cash flow hedges	-	-	(128)	-	(128)
<b>Other comprehensive income for the financial year</b>	<b>-</b>	<b>-</b>	<b>622</b>	<b>-</b>	<b>622</b>
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>-</b>	<b>622</b>	<b>8,851</b>	<b>9,473</b>
Dividends paid (Note 13)	-	-	-	(3,000)	(3,000)
<b>At 31 December 2019</b>	<b>100</b>	<b>10,304</b>	<b>(473)</b>	<b>10,119</b>	<b>20,050</b>
<b>Comprehensive expense for the year</b>					
Loss for the financial year	-	-	-	(38,870)	(38,870)
Changes in market value of cash flow hedges	-	-	(1,115)	-	(1,115)
Deferred tax attributable to changes in market value of cash flow hedges	-	-	(96)	-	(96)
<b>Other comprehensive income/(expense) for the financial year</b>	<b>-</b>	<b>-</b>	<b>(1,211)</b>	<b>-</b>	<b>(1,211)</b>
<b>At 31 December 2020</b>	<b>100</b>	<b>10,304</b>	<b>(1,684)</b>	<b>(28,751)</b>	<b>(20,031)</b>

The notes on pages 18 to 39 form part of these financial statements.

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# GRAND CENTRAL RAILWAY COMPANY LIMITED

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## Notes to the financial statements For the Year Ended 31 December 2020

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### 1. ACCOUNTING POLICIES

#### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below and have been consistently applied to all years, unless otherwise stated.

The financial statements have been prepared on the going concern basis under the historic cost convention, as modified by the revaluation of derivative financial assets and financial liabilities measured at fair value through the cash flow hedge reserve, and in accordance with the Companies Act 2006.

#### GOING CONCERN

The company is a wholly owned subsidiary of Deutsche Bahn AG ('DB') and part of the Arriva group which DB heads. As a public transport operator, the Arriva group has been significantly impacted by the Covid-19 coronavirus pandemic with a resulting impact on passengers, colleagues, and other business stakeholders. The Arriva group has and continues to work closely with both local and national government bodies and transport authorities on support measures to ensure continuation of critical transportation services during the pandemic.

The company's open access arrangements and resulting absence of any revenue support from the UK government means the ongoing impact of COVID on travel patterns, and passenger revenues, may continue to negatively impact the company's financial performance and position. The directors are in regular discussion with its parent group on potential funding options including potential additional borrowing facilities and equity that would strengthen the company's financial position and mitigate any near-term solvency issues that may arise from a prolonged continuation of the current difficult trading conditions.

#### Liquidity and funding risk

The company voluntarily participates in a group cash and credit facility pooling arrangement operated by its ultimate parent, DB. This is a long-standing arrangement operated by DB to manage the liquidity needs of DB group companies. The company utilises a DB credit facility under this arrangement, which the directors expect will continue to be utilised over the going concern assessment period to meet the company's operational requirements. Under this arrangement substantially all the company's cash and utilised credit facility balances are swept into the group cash pool at the end of each business day.

The company is currently dependent on the DB credit facility for daily access to the cash flows required to operate over the assessment period to support the going concern assertion. This facility is renewed on a monthly basis by DB to agree both the continuation and limit of the facility and is not formally committed for any period. The company will require increases to the current facility available to meet the company's operational requirements over the next 12 months.

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# GRAND CENTRAL RAILWAY COMPANY LIMITED

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## Notes to the financial statements For the Year Ended 31 December 2020

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### 1. ACCOUNTING POLICIES (CONTINUED)

#### GOING CONCERN (continued)

Given the facility could be withdrawn each month, the directors acknowledge that this indicates the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. However, the directors consider this risk to be highly improbable, as such action would contradict internal group policies and be inconsistent with past practice. Since inception of the pooling arrangement, the company has never experienced any issue being able to draw upon its cash and available facility balances within the group cash pool to settle its liabilities as they fall due.

#### Trading risk

In completing their going concern assessment, the directors have also considered the continued impact of Covid-19 on the company's financial position, based on severe but plausible downside scenarios, along with associated management actions to mitigate those impacts on the company's cash and DB credit facility position.

The directors have assessed the company's expected DB credit facility funding requirements with its parent group and determined that an increased facility is required to cover the company's cash requirements over the next 12 months under either management's base case or plausible downside scenarios. The company is currently trading in line with its base case scenario. The directors have agreed a funding plan for the company with DB which would provide sufficient additional funding to meet its cash requirements under its potential severe but plausible downside scenario. The directors consider the risk that the additional funding is not available to be highly improbable, as such action would contradict internal group policies and be inconsistent with past practice. As there is no guarantee that a formal commitment will be in place for this additional funding under the DB credit facility, this also indicates the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

#### Outcome of directors' going concern assessment

The directors have prepared the financial statements on a going concern basis as they have a reasonable expectation that the company will continue to have full and immediate access to its pooled credit facility balances with DB and that management actions over the assessment period will be sufficient, including agreement of additional funding, such that adequate financing will be in place and that the company will continue to operate for the foreseeable future.

However, the conditions referred to above indicate the existence of material uncertainties which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not contain the adjustments that would arise if the company were unable to continue as a going concern.

### 1.2 TURNOVER

Turnover includes amounts attributable to train operating companies, predominantly based on models of route usage, by the Rail Settlement Plan in respect of passenger receipts, net of value added tax. Turnover also includes income related to on-board catering sales and the hire of a unit and crew. Income is accrued where it is earned in an earlier period to that in which it is billed or received in cash. Income is deferred where it is received in an earlier period than that to which it relates.

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# GRAND CENTRAL RAILWAY COMPANY LIMITED

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## Notes to the financial statements For the Year Ended 31 December 2020

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### 1. ACCOUNTING POLICIES (CONTINUED)

#### 1.3 LEASES

For lease contracts within the scope of IFRS 16, a lease liability and corresponding right-of-use asset are recognised at the lease commencement date.

The lease liability is initially measured at the present value of future lease payments, discounted using the incremental borrowing rate of the company (or rate implicit in the lease, if available).

Future lease payments include fixed and variable payments, amounts repayable under a residual value guarantee, and the exercise price of future purchase options the company is reasonably certain to exercise (where applicable). Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The liability is subsequently measured at amortised cost using the effective interest method, with the financing cost recognised within 'Interest payable and similar charges'.

Corresponding right-of-use assets are measured at the initial amount of the lease liability, adjusted for any lease payments prepaid at the commencement date, initial direct costs, lease incentives, and an estimate of costs to dismantle or remove the underlying asset. Subsequently, the right-of-use asset is depreciated on a straight-line basis over the lease term. Where an impairment indicator is identified the right-of-use asset is adjusted by any associated impairment losses. The right-of-use asset is also adjusted for any remeasurements of the lease liability.

The company has elected to apply the exemption included within IFRS 16 for short-term leases (lease terms of less than 12 months from the commencement date), and low value leases (asset values less than €5,000). The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

#### 1.4 INTANGIBLE ASSETS AND AMORTISATION

Intangible assets are included at cost less accumulated amortisation. Intangible assets relate to mobilisation costs for a centre of excellence and service centre valued at cost less accumulated amortisation.

At the start of the project the assets are capitalised at cost and are amortised on a straight-line basis over the agreement term, that being the length of the project. Amortisation charges are included within administration costs in the statement of comprehensive income.

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset.

#### 1.5 TANGIBLE ASSETS

Tangible assets are stated at cost less depreciation.

Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

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# GRAND CENTRAL RAILWAY COMPANY LIMITED

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## Notes to the financial statements For the Year Ended 31 December 2020

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### 1. ACCOUNTING POLICIES (CONTINUED)

#### 1.5 TANGIBLE ASSETS (continued)

##### Depreciation

Depreciation is provided at rates calculated to write off the cost of tangible assets, less their estimated residual value, over their expected useful lives. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if it is greater than its estimated recoverable amount.

Depreciation is provided on the following basis:

Plant, machinery and motor vehicles	- 10% to 33% straight line
Fixtures and fittings	- 10% straight line
Right-of-use assets	- period of the lease
Heavy maintenance	- period of the rolling stock lease

#### 1.6 IMPAIRMENT OF FIXED ASSETS

Tangible or intangible assets re subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

#### 1.7 STOCKS

Stocks are valued at the lower of cost, on a weighted average basis, and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

#### 1.8 DEBTORS

Trade and other debtors are held with the intention to collect the contractual cash flows and are initially measured at fair value and subsequently at amortised cost less any allowance for impairment (where such allowance is material).

The simplified approach is used to measure expected lifetime credit loss allowances under IFRS 9 for trade and other debtors on a collective basis for any assets that are not considered to be individually impaired. Trade and other debtors are considered to be individually impaired when there is objective evidence that the estimated future cash flows associated with the asset have been affected. Objective evidence for impairment could be observable changes in national or local economic conditions / government policies on transport.

Allowances for expected credit losses on trade and other debtors are recognised only where they are material.



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**GRAND CENTRAL RAILWAY COMPANY LIMITED**

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**Notes to the financial statements  
For the Year Ended 31 December 2020**

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**1. ACCOUNTING POLICIES (CONTINUED)****1.9 CASH**

Cash balances comprise cash in hand and all bank balances and are stated in the balance sheet at fair value. The company does not hold any cash equivalents.

Where cash balances are held under cash pooling arrangements operated by the company's ultimate parent, on behalf of the company, such cash balances are disclosed within amounts owed by (or owed to) group undertakings.

**1.10 CREDITORS**

Creditors are obligations to pay for goods / services that have been acquired in the ordinary course of business. Trade and other creditors are initially stated at fair value and subsequently at amortised cost.

**Notes to the financial statements  
For the Year Ended 31 December 2020**

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**1. ACCOUNTING POLICIES (CONTINUED)**

**1.11 FINANCIAL REPORTING STANDARD 101 - REDUCED DISCLOSURE EXEMPTIONS**

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

The company is a qualifying entity for the purpose of FRS 101 and Note 24 gives details of the company's ultimate parent and from where its consolidated financial statements, prepared in accordance with IFRS, may be obtained.

FRS 101 sets out a reduced disclosure framework for a "qualifying entity" as defined in the standard which permits a qualifying entity to apply the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU, but makes amendments where necessary in order to comply with the Companies Act 2006.

The company has notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions used by the company in these financial statements, the most significant of which are summarised above.

The equivalent disclosures are included in the consolidated financial statements of the ultimate parent company, Deutsche Bahn AG, in accordance with the application guidance of FRS 100 "Application of financial reporting requirements".

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# GRAND CENTRAL RAILWAY COMPANY LIMITED

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## Notes to the financial statements For the Year Ended 31 December 2020

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### 1. ACCOUNTING POLICIES (CONTINUED)

#### 1.12 CURRENT AND DEFERRED TAXATION

The tax charge or credit in the statement of comprehensive income represents the sum of the current tax charge or credit and the deferred tax charge or credit for the year. Tax is recognised within the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds.

The current tax charge or credit is based on the taxable profit for the year. Taxable profit can differ from the profit or loss before tax as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years, or that are never taxable or deductible. The company's liability or asset relating to current tax is calculated using rates prevailing during the year.

Where companies within the UK Group make payments for tax losses where the amount paid exceeds the tax value of the losses, any excess is reported as a movement through equity.

Deferred taxation is recognised on the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary timing differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current taxation assets against current taxation liabilities and when the deferred taxation assets and liabilities relate to taxation levied by the same taxation authority, and the company intends to settle its current taxation assets and liabilities on a net basis.

Deferred tax assets and liabilities are not discounted.

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**Notes to the financial statements  
For the Year Ended 31 December 2020**

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**1. ACCOUNTING POLICIES (CONTINUED)****1.13 DERIVATIVES**

Derivative financial instruments are recognised as a financial asset or a financial liability in the balance sheet, at the point at which the contract is concluded. Derivative financial instruments are initially and subsequently measured at fair value. At the point at which the contract is taken out, derivative financial instruments are classified as a hedging instrument for hedging cash flows arising from a contractual obligation or an expected transaction. Cash flow hedges are used to provide protection against fluctuations in the cash flows of financial assets or liabilities or anticipated transactions. When future cash flows are hedged, the hedging instruments are recognised with their fair value. Changes in value are initially recognised in other comprehensive income with no impact on profit or loss, and are only recognised in profit on ordinary activities at the point at which the corresponding losses or profits from the underlying hedged item have an impact on comprehensive income or the transaction expires.

Derivatives are measured using common methods such as option price or present value models, because their fair values are not traded on an active market. No parameters from non-observable markets are used for measurement purposes, no credit risk adjustment is used for the present value of hedged transactions.

**1.14 PENSIONS****Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

**Defined benefit pension scheme**

Arriva plc also operates a defined benefit pension scheme. The assets of the defined benefit scheme are held separately from those of the company in independently administered funds. As the company is unable to identify its share of the assets and liabilities of the group scheme, it accounts for contributions as if they were to a defined contribution pension scheme. Contributions payable by the company are charged to the statement of comprehensive income in the period in which they fall due. Contributions payable under the contract based scheme are charged to the statement of comprehensive income as they arise.

**1.15 DIVIDENDS**

Dividends are recognised in the company's financial statements in the period in which the dividends are paid to the shareholder.

**Notes to the financial statements  
For the Year Ended 31 December 2020**

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**1. ACCOUNTING POLICIES (CONTINUED)**

**1.16 GOVERNMENT GRANTS**

Government grants related to income comprise research and development grants and other government grants which are not related to assets. They are presented in the balance sheet as deferred income and released as other income in the statement of comprehensive income in the periods necessary to match them with the related costs which they are intended to compensate.

Government grants are recognised in other income only when there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received or will not need to be repaid.

**1.17 SHARES**

Proceeds from the issuance of shares are accounted as equity (forming part of Total shareholders' funds) only to the extent that they include no contractual obligation upon the company to deliver cash or other financial assets to another party (or exchange financial assets or financial liabilities with another party on unfavourable terms). Where this condition is not satisfied, the proceeds of issuance are accounted as financial liabilities, initially measured at fair value and subsequently at amortised cost.

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# GRAND CENTRAL RAILWAY COMPANY LIMITED

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## Notes to the financial statements For the Year Ended 31 December 2020

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### 2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Application of certain company accounting policies required management to make judgements, assumptions and estimates concerning the future as detailed below.

The preparation of financial statements in conformity with FRS 101 requires management to make estimates and judgements in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expense. Estimates and judgements are based on historical experience and management's best knowledge of the amount. Due to the inherent uncertainty in making estimates and judgements, actual results in future periods may be based on amounts which differ from those estimates.

#### 2.1 Critical judgements in applying accounting policies

The following is the critical judgement that has been made in the process of applying the company's accounting policies, apart from those involving estimations, that had the most significant effect on the financial statements.

##### Term of lease contracts

In determining the lease term at commencement of a lease management considers the terms of the contracts and all facts and circumstances of the company's operations, that create an economic incentive to exercise an extension option, or not exercise a termination option (where applicable). Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The majority of the company's leases on adoption of IFRS 16 relate to rolling stock used to deliver passenger services, with lease terms aligned to the end date of the company's track access arrangements with Network Rail. See Note 1.3 for further details of the accounting policy and Notes 18 and 19 the value of lease liabilities falling due within one year and after one year respectively.

##### Accounting for contributions to multi-employer defined benefit pension schemes

Certain of the company's employees are members of group multi-employer defined benefit pension schemes and the company pays contributions to those schemes in respect of those employees. As the company is unable to identify its share of the assets and liabilities of the group defined benefit schemes, it accounts for contributions payable as if they were to a defined contribution pension scheme, with the amounts payable charged to the statement of comprehensive, as outlined in Note 1.14.

#### 2.2 Critical assumptions and key sources of estimation uncertainty

The following areas are the critical assumptions concerning the future and the key sources of estimation uncertainty in the reporting period. These areas may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

##### Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See Note 15 for the carrying amount of the tangible fixed assets and Note 1.5 for the useful economic lives for each class of assets.

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**Notes to the financial statements  
For the Year Ended 31 December 2020**

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**2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)**

**2.2 Critical assumptions and key sources of estimation uncertainty (continued)**

Impairment of tangible assets

Management is required to assess whether tangible assets exhibit any indicators of impairment at the reporting date. Where an indicator of impairment is identified, an estimate of the recoverable amount is made, which may indicate the need for an impairment charge to be recognised.

As at 31 December 2020, the directors assessed that the recoverable values of leasehold property and plant and machinery were lower than their carrying values, resulting in recognition of total impairment charges of £3,673,000 to write down the assets to their estimated recoverable values.

The recoverable values of the tangible assets were assessed based on the directors' best estimate of the discounted present value of the company's free cash flows over 2021-2027, as aligned to the life of the company's current track access arrangements with Network Rail. The directors' estimates of the company's expected future revenues and free cash flows over that period are highly sensitive to changes in assumptions of passenger numbers, and to what extent and over what period they will return to prepandemic levels.

Whilst determining the value of the impairment charge booked in these financial statements a decrease of 1%, or increase of 1%, on the discount rate used would lead to a respective decrease or increase in the impairment charge of £1,743,000 or £1,656,000.

In determining the impairment charges recognised in these financial statements, the directors have assumed a return of total passenger numbers to 100% of 2019 levels before the end of 2022, with passengers travelling for leisure purposes recovering to 100% of 2019 levels by the end of 2021. If the directors had assumed a return to 100% of 2019 total passenger numbers would instead occur by the end of 2022 with leisure travelers recovering in line with this, this would have had the effect of increasing the impairment charge recognised in these financial statements by £7,097,000.

Whilst the directors believe their estimates of future passenger numbers, including leisure travelers, are consistent with the latest available information including the easing of all previous pandemic restrictions on travel and social distancing in England, there is a material uncertainty driven by the potential of a smaller or slower recovery in passenger numbers than anticipated. If this uncertainty was to materialise, further impairments to tangible assets may be required in the company's subsequent financial statements. The directors acknowledge this risk represents a material uncertainty in relation to the assumption around recovery of passenger numbers and the potential impact this could have on the impairment charge and carrying value of the tangible assets as at 31 December 2020.

See Note 15 for the carrying amount of the tangible assets at 31 December 2020 and further details on the impairment charges recognised by asset class in the year.

**3. GENERAL INFORMATION**

The company is a private limited company, limited by shares and incorporated and domiciled in England, the United Kingdom.

The registered company number is 03979826 and the address of the registered office is 1 Admiral Way, Doxford International Business Park, Sunderland, SR3 3XP.

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**GRAND CENTRAL RAILWAY COMPANY LIMITED**

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**Notes to the financial statements  
For the Year Ended 31 December 2020**

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**4. TURNOVER**

All turnover arose within the United Kingdom.

The whole of the turnover is attributable to the company's principal activity.

**5. OTHER OPERATING INCOME**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Government grants receivable	<b>2,042</b>	-
	<b>2,042</b>	-

**6. OPERATING (LOSS)/PROFIT**

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

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Depreciation of tangible assets	<b>6,670</b>	5,622
Impairment of tangible assets	<b>3,673</b>	-
Amortisation of intangible assets	<b>6</b>	11
Impairment of intangible assets	<b>2,259</b>	-
Cost of stocks recognised as an expense	<b>3,479</b>	5,453
<b>LEASE EXPENSES:</b>		
Expenses related to short-term leases	<b>120</b>	44

**7. AUDITORS' REMUNERATION**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Fees payable to the company's auditor for the audit of the company's annual financial statements	<b>45</b>	38



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**GRAND CENTRAL RAILWAY COMPANY LIMITED**

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**Notes to the financial statements  
For the Year Ended 31 December 2020**

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**8. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows:

	2020 £000	2019 £000
Wages and salaries	7,903	6,988
Social security costs	725	778
Cost of defined benefit scheme	32	36
Other pension costs	845	769
	<u>9,505</u>	<u>8,571</u>

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

	2020 No.	2019 No.
Train staff	131	113
Administration and other	82	71
	<u>213</u>	<u>184</u>

**9. DIRECTORS' EMOLUMENTS**

	2020 £000	2019 £000
Directors' emoluments	624	723
Company contributions to defined benefit schemes	32	36
Company contributions to defined contribution pension schemes	19	18
	<u>675</u>	<u>777</u>

During the year retirement benefits were accruing to 2 directors (2019 - 2) in respect of defined contribution pension schemes.

During the year retirement benefits were accruing to 3 directors (2019 - 2) in respect of defined benefit pension schemes.

The highest paid director received remuneration of £239,000 (2019 - £315,000).

The value of the company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £13,000 (2019 - £28,000).

**GRAND CENTRAL RAILWAY COMPANY LIMITED**

**Notes to the financial statements  
For the Year Ended 31 December 2020**

**10. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Group interest receivable	<u>19</u>	<u>83</u>
	<u><b>19</b></u>	<u><b>83</b></u>

**11. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Group interest payable	<u>23</u>	<u>-</u>
Interest on lease liabilities	<u>724</u>	<u>602</u>
	<u><b>747</b></u>	<u><b>602</b></u>

**12. TAX ON (LOSS) / PROFIT**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>CORPORATION TAX</b>		
Current tax on (loss) / profit for the year	-	717
Adjustments in respect of prior years	<u>(717)</u>	<u>(442)</u>
	<u><b>(717)</b></u>	<u><b>275</b></u>
<b>TOTAL CURRENT TAX (CREDIT) / CHARGE</b>	<u><b>(717)</b></u>	<u><b>275</b></u>
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	31	62
Adjustments in respect of prior years	<u>(11)</u>	<u>(51)</u>
<b>TOTAL DEFERRED TAX CHARGE (NOTE 20)</b>	<u><b>20</b></u>	<u><b>11</b></u>
<b>Total tax (credit) / charge on (loss) / profit</b>	<u><b>(697)</b></u>	<u><b>286</b></u>

# GRAND CENTRAL RAILWAY COMPANY LIMITED

## Notes to the financial statements For the Year Ended 31 December 2020

### 12. TAX ON (LOSS) / PROFIT (CONTINUED)

#### FACTORS AFFECTING TAX (CREDIT) / CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £000	2019 £000
(Loss) / profit before tax	(39,567)	9,137
(Loss) / profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(7,518)	1,736
<b>EFFECTS OF:</b>		
Tax losses where no benefit recognised	7,268	-
Utilisation of previously unrecognised tax losses	-	(950)
Adjustments in respect of prior years	(728)	(493)
Derecognition of deferred tax assets	284	-
Impact of rate change on deferred tax	(3)	(7)
<b>TOTAL TAX (CREDIT) / CHARGE FOR THE YEAR</b>	<b>(697)</b>	<b>286</b>

#### FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be £Nil.

### 13. DIVIDENDS

	2020 £000	2019 £000
Dividends paid on ordinary shares	-	3,000

<b>GRAND CENTRAL RAILWAY COMPANY LIMITED</b>
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**Notes to the financial statements**  
**For the Year Ended 31 December 2020**

**14. INTANGIBLE ASSETS**

	<b>Mobilisation costs £000</b>
<b>COST</b>	
At 1 January 2020	799
Additions	1,562
Disposals	(2,319)
At 31 December 2020	42
<b>ACCUMULATED AMORTISATION AND IMPAIRMENT</b>	
At 1 January 2020	66
Charge for the year	6
Disposals	(2,289)
Impairment charge	2,259
At 31 December 2020	42
<b>NET BOOK VALUE</b>	
At 31 December 2020	-
<i>At 31 December 2019</i>	733

Intangible assets related to the mobilisation and set up costs of the customer service centre, centre of excellence and costs incurred in respect of the launch of a North West route train service between Blackpool and London. The mobilisation costs in relation to the customer service centre were fully amortised as at 31 December 2018.

Following the impact of COVID, and the announcement by the company in September 2020 that North West route train services will not commence, the related costs capitalised in 2019 are no longer considered recoverable and subsequently are now impaired.

**GRAND CENTRAL RAILWAY COMPANY LIMITED**

**Notes to the financial statements  
For the Year Ended 31 December 2020**

**15. TANGIBLE ASSETS**

	Plant, machinery and motor vehicles £000	Fixtures and fittings £000	Leasehold properties £000	Heavy maintenance £000	Total £000
<b>COST</b>					
At 1 January 2020	37,075	783	735	23,558	62,151
Additions	15,837	24	172	122	16,155
Disposals	(13,880)	-	(106)	-	(13,986)
At 31 December 2020	39,032	807	801	23,680	64,320
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT</b>					
At 1 January 2020	5,393	533	112	15,624	21,662
Charge for the year	5,443	128	122	977	6,670
Disposals	(728)	-	-	-	(728)
Impairment charge	3,626	-	47	-	3,673
At 31 December 2020	13,734	661	281	16,601	31,277
<b>NET BOOK VALUE</b>					
At 31 December 2020	25,298	146	520	7,079	33,043
At 31 December 2019	31,682	250	623	7,934	40,489

**GRAND CENTRAL RAILWAY COMPANY LIMITED**

**Notes to the financial statements  
For the Year Ended 31 December 2020**

**15. TANGIBLE ASSETS (continued)**

Information on right-of-use lease assets included within tangible assets is provided in the following table:

	<b>Plant, machinery and motor vehicles</b>	<b>Leasehold properties</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Right-of-use assets</b>			
<b>Cost</b>			
At 1 January 2020	33,202	735	33,937
Additions	15,545	174	15,719
Disposals	(13,863)	(106)	(13,969)
At 31 December 2020	<u>34,884</u>	<u>803</u>	<u>35,687</u>
<b>Accumulated depreciation</b>			
At 1 January 2020	4,175	112	4,287
Charge for the year	5,129	122	5,251
Impairment	1,455	47	1,502
Disposals	(728)	-	(728)
At 31 December 2020	<u>10,031</u>	<u>281</u>	<u>10,312</u>
<b>Net book value</b>			
At 31 December 2020	<u>24,853</u>	<u>522</u>	<u>25,375</u>
At 31 December 2019	<u>29,027</u>	<u>623</u>	<u>29,650</u>

**16. STOCKS**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Raw materials and consumables	<u>37</u>	<u>39</u>

# GRAND CENTRAL RAILWAY COMPANY LIMITED

## Notes to the financial statements For the Year Ended 31 December 2020

### 17. DEBTORS

	2020 £000	2019 £000
Trade debtors	513	78
Amounts owed by group undertakings	142	13,180
Other debtors	263	772
Prepayments and accrued income	1,646	2,313
Deferred tax asset (Note 20)	-	116
	<u>2,564</u>	<u>16,459</u>

### 18. CREDITORS: Amounts falling due within one year

	2020 £000	2019 £000
Lease liabilities	5,393	4,082
Trade creditors	27	767
Amounts owed to group undertakings	19,401	1,176
Corporation tax	-	717
Taxation and social security	316	256
Other creditors	1,011	-
Accruals and deferred income	6,143	4,554
Derivative financial instruments (Note 21)	964	355
	<u>33,255</u>	<u>11,907</u>

### 19. CREDITORS: Amounts falling due after more than one year

	2020 £000	2019 £000
Lease liabilities	21,704	25,564
Derivative financial instruments (Note 21)	718	212
	<u>22,422</u>	<u>25,776</u>

Lease liabilities falling due after more than one year include liabilities of £4,080,000 (2019: £8,528,000) falling due after more than five years.

<b>GRAND CENTRAL RAILWAY COMPANY LIMITED</b>
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**Notes to the financial statements  
For the Year Ended 31 December 2020**

**20. DEFERRED TAX ASSET**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
At 1 January	<b>116</b>	255
Charged to (loss)/profit for the financial year (Note 12)	<b>(20)</b>	(11)
Charged to other comprehensive (expense)/income	<b>(96)</b>	(128)
<b>At 31 December</b>	<b>-</b>	<b>116</b>

The deferred tax asset is made up as follows:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Accelerated capital allowances	-	14
Short term timing differences	-	5
Deferred tax on derivative financial instruments	-	97
	<b>-</b>	<b>116</b>

At 31 December 2020 the company had an unrecognised deferred tax asset of approximately £8,127,000 (2019: £186,000) comprising surplus tax losses. It is not considered prudent to recognise the asset at the year end.



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**GRAND CENTRAL RAILWAY COMPANY LIMITED**

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**Notes to the financial statements  
For the Year Ended 31 December 2020**

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**21. DERIVATIVE FINANCIAL INSTRUMENTS**

The cash flow hedges are valued on a market to market basis at the balance sheet date. Energy price hedging has been entered into with the intention to reduce price fluctuations attributable to energy sourcing.

The receipts/payments from energy derivatives are recognised in the income statement in the periods in which they fall due.

The effectiveness of the hedge is assessed prospectively using linear regression. The retrospective effectiveness measurement is carried out as of every balance sheet date by means of linear regression. The ineffectiveness is also calculated using the dollar-offset method. Under this method, the changes in the market values of the underlying hedged item are compared with the changes in the market value of the hedging instrument. The resultant quotient determines the inefficiency.

The inefficiencies of cash flow hedges of the energy price derivatives recognised in the statement of comprehensive income are £Nil (2019: £Nil).

The amounts recognised within the financial statements are as follows:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Creditors: Amounts falling due within one year (Note 18)	<b>(964)</b>	<b>(355)</b>
Creditors: Amounts falling due after more than one year (Note 19)	<b>(718)</b>	<b>(212)</b>
	<b><u>(1,682)</u></b>	<b><u>(567)</u></b>

# GRAND CENTRAL RAILWAY COMPANY LIMITED

## Notes to the financial statements For the Year Ended 31 December 2020

### 22. CALLED UP SHARE CAPITAL

	2020 £000	2019 £000
<b>Authorised, allotted, called up and fully paid</b>		
1,000,010 Ordinary shares of £0.10 each (2019: 1,000,010)	<u>100</u>	<u>100</u>

### 23. CAPITAL COMMITMENTS

At 31 December 2020 the company had capital commitments as follows:

	2020 £000	2019 £000
Contracted for but not provided in these financial statements	<u>406</u>	<u>11,872</u>
	<u>406</u>	<u>11,872</u>

At 31 December 2019, the company had a committed lease obligation of £9,000,000 and committed capital expenditure of £2,872,000.

The company has an obligation, under the Grand Central Track Access contract, to invest in a full interior refresh and reconfiguration of a fleet class which the company is fully committed to investing in during 2021. The total committed investment cost is £7.8m of which £7.3m had been incurred by 31 December 2020.

### 24. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company is Arriva UK Trains Limited.

The ultimate parent company and ultimate controlling party is Deutsche Bahn AG, a company registered in Germany, which has prepared group financial statements incorporating the results of Grand Central Railway Company Limited. Copies of these financial statements can be obtained from Potsdamer Platz 2, 10785 Berlin.

Deutsche Bahn AG is the largest and smallest group to consolidate the financial statements of Grand Central Railway Company Limited.

Transactions with other companies in the Deutsche Bahn Group are not specifically disclosed as the company has taken advantage of the exemption available under IAS 24 'Related party disclosures' for wholly-owned subsidiaries.

### 25. POST BALANCE SHEET EVENTS

On 27 March 2021, the company recommenced services and welcomed passengers following a three month period of hibernation due to the national lockdown. The company had not run passenger trains since it withdrew services on 9 January 2021 in line with the wider national lockdown.