

REGISTERED NUMBER: 02985176 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014
FOR
GREAT SCOTTISH AND WESTERN RAILWAY
HOLDINGS LIMITED**

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**GREAT SCOTTISH AND WESTERN RAILWAY
HOLDINGS LIMITED (REGISTERED NUMBER: 02985176)**

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FOR THE YEAR ENDED 31 DECEMBER 2014**

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**GREAT SCOTTISH AND WESTERN RAILWAY
HOLDINGS LIMITED**

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2014**

DIRECTORS: G E Franklin
M. O'Grady

SECRETARY: G E Franklin

REGISTERED OFFICE: 1st Floor
Shackleton House
4 Battle Bridge Lane
London
SE1 2HP

REGISTERED NUMBER: 02985176 (England and Wales)

AUDITORS: CMB Partnership Limited
Chartered Accountants and Statutory Auditor
Chapel House
1 Chapel Street
Guildford
Surrey
GU1 3UH

**GREAT SCOTTISH AND WESTERN RAILWAY
HOLDINGS LIMITED (REGISTERED NUMBER: 02985176)**

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

The directors, in preparing this strategic report, have complied with Section 414C of the Companies Act 2006.

PRINCIPAL ACTIVITIES AND REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

Principal activities

The Company is the holding company to The Great Scottish & Western Railway Company Limited which carries on the business of a rail tour operator, running the Royal Scotsman train. The Royal Scotsman carries a maximum of 36 passengers on touring itineraries of Scotland visiting castles, distilleries and other places of interest during typically either 2, 3 or 4 day tours of Scotland. The luxury and glamour of the train is designed to evoke the spirit of an Edwardian country house.

Review of developments and future prospects

The Great Scottish & Western Railway Holdings Limited (the "Company") made a profit for the year after tax of £0 (2013:£0).

The company did not trade during the year.

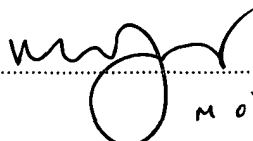
The directors do not recommend a dividend for the year (2013: £nil).

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is exposed to financial risk through its financial assets and liabilities. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk. Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet the principal financial risks the directors consider relevant to this Company are currency risk, interest rate risk, credit risk and liquidity risk. The Company closely monitors all risks noted above, and does not trade or speculate in any financial instruments.

ON BEHALF OF THE BOARD:

Director


M O'GRADY

Date: December 15th 2015

**GREAT SCOTTISH AND WESTERN RAILWAY
HOLDINGS LIMITED (REGISTERED NUMBER: 02985176)**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2014**

The directors present their report with the financial statements of the company for the year ended 31 December 2014.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2014.

DIRECTORS

G E Franklin has held office during the whole of the period from 1 January 2014 to the date of this report.

Other changes in directors holding office are as follows:

M. O'Grady was appointed as a director after 31 December 2014 but prior to the date of this report.

F J M Boyen ceased to be a director after 31 December 2014 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

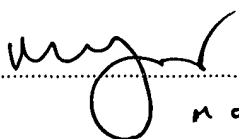
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, CMB Partnership Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

.....
Director


M O'GRADY

Date: December 15th, 2015

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GREAT SCOTTISH AND WESTERN RAILWAY HOLDINGS LIMITED

We have audited the financial statements of Great Scottish and Western Railway Holdings Limited for the year ended 31 December 2014 on pages six to ten. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
GREAT SCOTTISH AND WESTERN RAILWAY
HOLDINGS LIMITED**

Matters on which we are required to report by exception

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

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

CMB Partnership Limited

Paul Martin (Senior Statutory Auditor)
for and on behalf of CMB Partnership Limited
Chartered Accountants and Statutory Auditor
Chapel House
1 Chapel Street
Guildford
Surrey
GU1 3UH

15 December 2015

**GREAT SCOTTISH AND WESTERN RAILWAY
HOLDINGS LIMITED (REGISTERED NUMBER: 02985176)**

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	31.12.14 £'000	31.12.13 £'000
TURNOVER		-	-
OPERATING PROFIT and PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	-	-
Tax on profit on ordinary activities	4	-	-
PROFIT FOR THE FINANCIAL YEAR		-	-

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses for the current year or previous year.

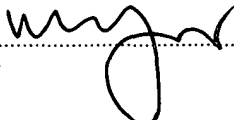
**GREAT SCOTTISH AND WESTERN RAILWAY
HOLDINGS LIMITED (REGISTERED NUMBER: 02985176)**

**BALANCE SHEET
31 DECEMBER 2014**

	Notes	31.12.14 £'000	31.12.13 £'000
CURRENT ASSETS			
Debtors	6	3,558	3,558
CREDITORS			
Amounts falling due within one year	7	1	1
NET CURRENT ASSETS		<u>3,557</u>	<u>3,557</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,557</u>	<u>3,557</u>
CAPITAL AND RESERVES			
Called up share capital	8	10	10
Profit and loss account	9	<u>3,547</u>	<u>3,547</u>
SHAREHOLDERS' FUNDS	12	<u>3,557</u>	<u>3,557</u>

The financial statements were approved by the Board of Directors on December 15th 2015 and were signed on its behalf by:

Director


M. O'GRADY

The notes form part of these financial statements

**GREAT SCOTTISH AND WESTERN RAILWAY
HOLDINGS LIMITED (REGISTERED NUMBER: 02985176)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption from preparing consolidated financial statements under the terms of Section 401 of the Companies Act 2006 as more than 50% of its shares are held by a non-EU parent undertaking, Belmond Limited formerly Orient-Express Hotels Limited, a company incorporated in Bermuda, and the company is included in the audited consolidated financial statements of that parent undertaking. Company prepared under requirements equivalent to the EU Seventh Company Law Directive.

Investments

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

Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 (Revised) Cash Flow Statements as the company's ultimate parent undertaking, Belmond Limited formerly Orient-Express Hotels Ltd, publishes a consolidated cash flow statement.

2. STAFF COSTS

There were no staff costs for the year ended 31 December 2014 nor for the year ended 31 December 2013.

3. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.14	31.12.13
	£'000	£'000
	31.12.14	31.12.13
	£	£
Directors' remuneration	-	-
	==	==

The audit fee of £500 (2013 £500) is borne by the subsidiary The Great Scottish & Western Railway Company Limited.

4. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2014 nor for the year ended 31 December 2013.

5. FIXED ASSET INVESTMENTS

The company's investments at the Balance Sheet date in the share capital of companies include the following:

The Great Scottish & Western Railway Company Limited

Nature of business: Railway transport operators and consultants

	%
Class of shares:	holding
Ordinary	100.00

**GREAT SCOTTISH AND WESTERN RAILWAY
HOLDINGS LIMITED (REGISTERED NUMBER: 02985176)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014**

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.14	31.12.13
	£'000	£'000
Amounts owed by group undertakings	3,558	3,558

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.14	31.12.13
	£'000	£'000
Trade creditors	1	1

8. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.14	31.12.13
			£	£
5,250	Ordinary A	£1	5,250	5,250
5,250	Ordinary B	£1	5,250	5,250
			<u>10,500</u>	<u>10,500</u>

9. RESERVES

	Profit and loss account £'000
At 1 January 2014	3,547
Profit for the year	-
At 31 December 2014	<u>3,547</u>

10. RELATED PARTY DISCLOSURES

The company is a wholly owned subsidiary undertaking and has taken advantage of the exemption available under paragraph 3 (c) of Financial Reporting Standard 8 "Related Party Disclosures" not to disclose transactions with group entities or investees of the group qualifying as related parties.

Details of balances held at 31 December 2014 and 31 December 2013 between group entities is as follows:

	2014 £	2013 £
GSWR Company	3,557,525	3,557,525

11. ULTIMATE CONTROLLING PARTY

The largest group for which consolidated financial statements are prepared is the ultimate parent company and controlling party, Belmond Limited, formerly Orient-Express Hotels Ltd, a company incorporated in Bermuda. Copies of its accounts can be obtained from the company's registered office at 22 Victoria Street, P.O. Box 1179, Hamilton, Bermuda. The immediate parent company is Venice Simplon-Orient-Express Limited, a company incorporated in the Great Britain. The smallest group for which consolidated financial statements are prepared is Belmond Luxembourg Holdings S.a.r.l. formerly Orient-Express Luxembourg Holdings, Sarl.

**GREAT SCOTTISH AND WESTERN RAILWAY
HOLDINGS LIMITED (REGISTERED NUMBER: 02985176)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014**

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.14	31.12.13
	£'000	£'000
Profit for the financial year	-	-
Opening shareholders' funds	<u>3,557</u>	<u>3,557</u>
Closing shareholders' funds	<u><u>3,557</u></u>	<u><u>3,557</u></u>

13. SECURITY

In 2014 the Company's parent Belmond Ltd entered into a group wide refinancing. By an agreement dated 21 March 2014, Belmond Interfin Ltd was the borrower under a US\$657 million senior secured credit facility arranged by Barclays Bank PLC. The facility, consisting of a US\$552 million seven year term and a five year US\$105 million revolving credit facility and the proceeds were used to refinance predominately all of the Group's existing debt. The Company along with 52 other subsidiaries of Belmond Ltd were guarantors of the debt. The Company's guarantee was supported by an English Law debenture which charged the Company's non real estate assets in favour of Barclays Bank PLC who as Facility and Collateral Agent act on behalf of the Lenders.