REGISTERED NUMBER: 05201319 (England and Wales)

STRATEGIC REPORT, DIRECTORS' REPORT AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

FOR

THE GREAT SCOTTISH & WESTERN RAILWAY COMPANY LIMITED

THE GREAT SCOTTISH & WESTERN RAILWAY COMPANY LIMITED (REGISTERED NUMBER: 05201319)

CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

THE GREAT SCOTTISH & WESTERN RAILWAY COMPANY LIMITED

COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2016

DIRECTORS:	G E Franklin M. O'Grady A J Hunt
SECRETARY:	G E Franklin
REGISTERED OFFICE:	1st Floor Shackleton House 4 Battle Bridge Lane London SE1 2HP
REGISTERED NUMBER:	05201319 (England and Wales)
AUDITORS:	CMB Partnership Limited Chartered Accountants and Statutory Auditor Chapel House 1 Chapel Street Guildford Surrey GU1 3UH

THE GREAT SCOTTISH & WESTERN RAILWAY
COMPANY LIMITED (REGISTERED NUMBER: 05201319)

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

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 carries on the business of a rail tour operator, running the Royal Scotsman train. The Royal Scotsman carries a maximum of 40 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 Company Limited (the "Company") made a profit for the year after tax of £330,873 (2015:£799,272 profit).

The decrease in profit is partially due to reduced revenue of £4,412,201 (2015: £4,613,326) from only 5 whole train charters (£241,000) operated compared to 11 (£1,044,000) in 2015. A strong retail market helped to mitigate some of the revenue decrease from the charter business. Overall the train only operated 50 trips (2015:53) while total passengers carried in the year of 1,523 were 130 fewer (2015:1,653).

Maintenance costs increased by £193,000, firstly as a result of the change in the treatment of winter refit costs being charged as incurred rather than deferred to the following season of £108,000 and secondly due to additional repair works following the breakdown of one carriage during the operational season.

Towards the end of the season an additional carriage was added to the rake, providing 4 extra berths and 2 spa treatment rooms which has enabled the business to gain substantial media coverage.

The directors do not recommend a dividend for the year (2015: £nil).

PRINCIPAL RISKS AND UNCERTAINTIES
The Company is exposed to financial risk through its financial assets and liabilities. Further information that fulfils the Companies Act requirements is included in the Directors' report under the heading ' financial risk management' and forms part of this report by cross reference.

ON BEHALF OF THE BOARD:

....
G E Franklin - Director

Date: September 29th 2017

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report with the financial statements of the company for the year ended 31 December 2016.

DIVIDENDS
No dividends will be distributed for the year ended 31 December 2016.

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS
The directors during the year under review were:

G E Franklin
M. O'Grady

The directors holding office at 31 December 2016 did not hold any beneficial interest in the issued share capital of the company at 1 January 2016 or 31 December 2016.

None of the directors had any notifiable interests in the shares of the Company or of other group companies during the year or at the year end (2015: none).

FINANCIAL RISK MANAGEMENT AND GOING CONCERN
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.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in the financial statements.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
Each person who is a director of the Company at the date when this report is approved confirms that:

- so far as each of the directors is aware, there is no relevant audit information of which the Company's auditor is unaware; and

- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

ON BEHALF OF THE BOARD:

....

G E Franklin - Director

Date: September 29th 2017

THE GREAT SCOTTISH & WESTERN RAILWAY COMPANY LIMITED (REGISTERED NUMBER: 05201319)

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.Company law requires 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) including FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland".

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;

- make judgments and accounting estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards, subject to any material departures disclosed and explained in the financial statements; and

- 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.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE GREAT SCOTTISH & WESTERN RAILWAY COMPANY LIMITED

We have audited the financial statements of The Great Scottish & Western Railway Company Limited for the year ended 31 December 2016 on pages seven to seventeen. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Directors' Responsibilities Statement set out on page four, 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 Directors' Report 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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE GREAT SCOTTISH & WESTERN RAILWAY COMPANY 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.

P. Martin

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

Date: 29 September 2017

THE GREAT SCOTTISH & WESTERN RAILWAY COMPANY LIMITED (REGISTERED NUMBER: 05201319)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	31.12.16 £	31.12.15 £
TURNOVER	2	4,412,201	4,613,326
Cost of sales		3,132,677	3,131,015
GROSS PROFIT		1,279,524	1,482,311
Administrative expenses		1,063,510	843,948
OPERATING PROFIT and PROFIT BEFORE TAXATION	5	216,014	638,363
Tax on profit	6	(114,859)	(160,909)
PROFIT FOR THE FINANCIAL YEAR		330,873	799,272
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		330,873	799,272

The notes form part of these financial statements

THE GREAT SCOTTISH & WESTERN RAILWAY COMPANY LIMITED (REGISTERED NUMBER: 05201319)

BALANCE SHEET
31 DECEMBER 2016

		31.12.16		31.12.15	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	7		5,468,017		5,018,165
CURRENT ASSETS					
Stocks	8	26,005		73,415	
Debtors	9	5,559,077		5,211,450	
Cash at bank		19,879		1,210	
		5,604,961		5,286,075	
CREDITORS					
Amounts falling due within one year	10	5,719,538		5,166,814	
NET CURRENT (LIABILITIES)/ASSETS			(114,577)		119,261
TOTAL ASSETS LESS CURRENT LIABILITIES			5,353,440		5,137,426
PROVISIONS FOR LIABILITIES	12		434,180		549,039
NET ASSETS			4,919,260		4,588,387
CAPITAL AND RESERVES					
Called up share capital	13		1		1
Retained earnings	14		4,919,259		4,588,386
SHAREHOLDERS' FUNDS			4,919,260		4,588,387

The financial statements were approved by the Board of Directors on September 29th 2017 and were signed on its behalf by:

....

G E Franklin - Director

The notes form part of these financial statements

THE GREAT SCOTTISH & WESTERN RAILWAY
COMPANY LIMITED (REGISTERED NUMBER: 05201319)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2015	1	3,789,114	3,789,115
Changes in equity			
Total comprehensive income	-	799,272	799,272
Balance at 31 December 2015	1	4,588,386	4,588,387
Changes in equity			
Total comprehensive income	-	330,873	330,873
Balance at 31 December 2016	1	4,919,259	4,919,260

The notes form part of these financial statements

1. ACCOUNTING POLICIES

General information and basis of accounting
The Great Scottish & Western Railway Company Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given below. The nature of the company's operations and its principal activities are set out in the strategic report on page 2.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of The Great Scottish & Western Railway Company Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

The Great Scottish & Western Railway Company Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements.The Great Scottish & Western Railway Company Limited is consolidated in the financial statements of its ultimate parent company, Belmond Ltd, which may be obtained at 22 Victoria Street, P.O. Box 1179, Hamilton, Bermuda. Exemptions have been taken in these separate company financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

Financial reporting standard 102 - reduced disclosure exemptions
The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Going concern
The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report. The Company has access to considerable financial resources from the wider Belmond Group and has a significant level of advance bookings for the forthcoming year. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Turnover
Turnover principally comprises revenue from train operations and related activities and is all derived from the United Kingdom. Turnover is recognised on departure of the train service. Deferred revenue consisting of deposits paid in advance is recognised as revenue upon commencement of tourist train journeys.

Turnover from the sale of goods is recognised when the goods are physically delivered to the customer.

Tangible fixed assets
Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its estimated useful life as follows:.

Trains	- 10/30 years (to residual value of 10% of cost)
Plant	- 5/10 years
Fixtures, fittings & equipment	- 3/10 years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

continued...

1. **ACCOUNTING POLICIES - continued**

Stocks
Stocks are valued at the lower of cost and net realisable value and consist of supplies used on the train and merchandise. Provision is made for obsolete, slow-moving or defective items where appropriate.

Deferred taxation
Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

When the amount that can be deducted for tax, for an asset that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other even that resulted in the tax expense or income..

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if ; a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered..

continued...

1. **ACCOUNTING POLICIES - continued**

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indication of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit and loss account.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term even if the payments are not made on such a basis.

Pension costs

The company operates a defined contribution pension plan for its employees.The amount charged to the profit and loss account is the contribution payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments on the balance sheet.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the submission of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

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, publishes a consolidated cash flow statement.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

continued...

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	31.12.16	31.12.15
	£	£
Sale of goods	19,440	15,952
Rendering of services	4,392,761	4,597,374
	4,412,201	4,613,326

3. EMPLOYEES AND DIRECTORS

	31.12.16	31.12.15
	£	£
Wages and salaries	532,173	445,627
Social security costs	39,381	36,962
Other pension costs	13,424	17,168
	584,978	499,757

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

	31.12.16	31.12.15
Administration	17	17

4. DIRECTORS' EMOLUMENTS

The directors were employed by other companies within the group and it is not practicable to apportion their total emoluments as regards to their services to this company for the current and preceding year.

5. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.16	31.12.15
	£	£
Other operating leases	9,009	9,055
Depreciation - owned assets	496,451	330,484
Loss on disposal of fixed assets	51,375	-
Auditors' remuneration	5,000	4,900

Fees payable to CMB Partnership Limited for non-audit services to the company are not required to be disclosed because the consolidated financial statements of the parent company are required to disclose such fees on a consolidated basis.

continued...

6. TAXATION

Analysis of the tax credit

The tax credit on the profit for the year was as follows:

	31.12.16	31.12.15
	£	£
Deferred tax	(114,859)	(160,909)
Tax on profit	(114,859)	(160,909)

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.16	31.12.15
	£	£
Profit before tax	216,014	638,363
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.250%)	43,203	129,269
Effects of:		
Expenses not deductible for tax purposes	209	392
Depreciation in excess of capital allowances	-	66,923
Group relief claimed for nil consideration	-	(196,584)
Deferred taxation - effect of decrease in tax rate on opening liability	(16,471)	(101,421)
Deferred taxation - origination and reversal of timing differences	(141,800)	(59,488)
Total tax credit	(114,859)	(160,909)

The standard rate of tax applied to reported (loss)/profit on ordinary activities is 20 per cent (2015; 20.25 per cent). The applicable tax rate has changed following the substantive enactment of the Finance Act 2015. A reduction in the UK corporation tax rate to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantially enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantially enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly.

During the year beginning 1 January 2017, the net reversal of deferred tax assets and liabilities is expected to decrease the corporation tax charge for the year. This is due to capital allowances being disclaimed for the period There is no expiry date on timing differences, unused tax losses or tax credits

continued...

7. TANGIBLE FIXED ASSETS

	Train £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 January 2016	6,296,603	63,329	112,507	6,472,439
Additions	932,979	2,490	62,209	997,678
Disposals	(64,600)	(2,236)	(10,412)	(77,248)
At 31 December 2016	7,164,982	63,583	164,304	7,392,869
DEPRECIATION				
At 1 January 2016	1,349,979	53,075	51,220	1,454,274
Charge for year	438,133	6,435	51,883	496,451
Eliminated on disposal	(13,746)	(1,975)	(10,152)	(25,873)
At 31 December 2016	1,774,366	57,535	92,951	1,924,852
NET BOOK VALUE				
At 31 December 2016	5,390,616	6,048	71,353	5,468,017
At 31 December 2015	4,946,624	10,254	61,287	5,018,165

8. STOCKS

	31.12.16 £	31.12.15 £
Supplies and merchandise	26,005	73,415

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.16 £	31.12.15 £
Amounts owed by group undertakings	5,469,629	5,015,738
Other debtors	49,555	26,247
Prepayments	39,893	169,465
	5,559,077	5,211,450

The entire amount under amounts owed by group undertakings is non-interest bearing and is repayable on demand.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.16 £	31.12.15 £
Trade creditors	124,751	5,431
Amounts owed to group undertakings	5,527,290	4,924,209
Other creditors	3,792	-
Accruals and deferred income	63,705	237,174
	5,719,538	5,166,814

The entire amount under amounts owed to group undertakings is non-interest bearing and is repayable on demand.

continued...

11. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.16	31.12.15
	£	£
Within one year	750	750

12. PROVISIONS FOR LIABILITIES

	31.12.16	31.12.15
	£	£
Deferred tax	434,180	549,039

	Deferred tax
	£
Balance at 1 January 2016	549,039
Credit to Statement of Comprehensive Income during year	(114,859)
Balance at 31 December 2016	434,180

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.16	31.12.15
			£	£
1	Ordinary	£1	1	1

The company has one class of ordinary shares which carry no right to fixed income.

14. RESERVES

	Retained earnings
	£
At 1 January 2016	4,588,386
Profit for the year	330,873
At 31 December 2016	4,919,259

The profit and loss account represent cumulative profits or losses net of dividends paid and other adjustments.

continued...

15. RELATED PARTY DISCLOSURES

During the year the group entered into transactions, in the ordinary course of business, with associated undertakings. Trading balances outstanding with associated undertakings at 31 December 2016 are detailed in notes 9 and 10.

In the ordinary course of business, the company has undertaken transactions with its fellow group companies. Advantage has been taken of the exemption permitted by FRS 102 not to disclose transactions with entities that are wholly owned by the Group.

Advantage has been taken of the exemption permitted by FRS 102 not to disclose total compensation of key management personnel.

16. POST BALANCE SHEET EVENTS

There were no significant post balance sheet events that the directors are aware of.

17. 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 Great Scottish and Western Railway Holdings 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.

18. PENSION ARRANGEMENTS

Total defined contribution pension charge recorded in the profit and loss account for the year was £13,000 (2015 £17,000). Prepaid pension costs recorded on the balance sheet as at 31 December 2016 was £nil (2015 £nil).

19. 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 assets in favour of Barclays Bank PLC who as Facility and Collateral Agent act on behalf of the Lenders.