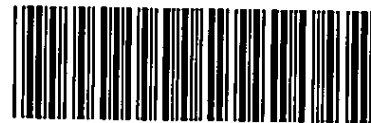


REGISTERED NUMBER: 2985176 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010
FOR
GREAT SCOTTISH AND WESTERN RAILWAY
HOLDINGS LIMITED**

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**GREAT SCOTTISH AND WESTERN RAILWAY
HOLDINGS LIMITED (REGISTERED NUMBER: 2985176)**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

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**GREAT SCOTTISH AND WESTERN RAILWAY
HOLDINGS LIMITED**

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2010**

DIRECTORS: A M Overton
G E Franklin

SECRETARY: G E Franklin

REGISTERED OFFICE: 20 Upper Ground
London
SE1 9PF

REGISTERED NUMBER: 2985176 (England and Wales)

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

**GREAT SCOTTISH AND WESTERN RAILWAY
HOLDINGS LIMITED (REGISTERED NUMBER: 2985176)**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2010**

The directors present their report with the financial statements of the company for the year ended 31 December 2010

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of The company did not trade during the year

The principal activity of its subsidiary company The Great Scottish & Western Railway Company Limited was that of railway transport operators and consultants

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2010

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2010 to the date of this report

A M Overton

G E Franklin

Other changes in directors holding office are as follows

N R Varian - resigned

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.

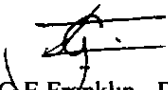
**GREAT SCOTTISH AND WESTERN RAILWAY
HOLDINGS LIMITED (REGISTERED NUMBER: 2985176)**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2010**

AUDITORS

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

ON BEHALF OF THE BOARD:


G.E. Franklin - Director

Date 28/09/11

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS 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 2010 on pages five 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 two, 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.

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 2010 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

CMB Partnership

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

Date

28/9/2011

**GREAT SCOTTISH AND WESTERN RAILWAY
HOLDINGS LIMITED (REGISTERED NUMBER: 2985176)**

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	2010 £	2009 £
TURNOVER		-	-
OPERATING PROFIT	3	-	-
Profit/loss on sale of tang fa		-	106,152
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		-	(106,152)
Tax on loss on ordinary activities	4	-	(4,316)
LOSS FOR THE FINANCIAL YEAR		-	(101,836)

DISCONTINUED OPERATIONS

All of the company's activities were discontinued during the previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the previous year

**GREAT SCOTTISH AND WESTERN RAILWAY
HOLDINGS LIMITED (REGISTERED NUMBER: 2985176)**

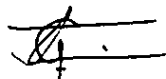
**BALANCE SHEET
31 DECEMBER 2010**

	Notes	2010 £	2009 £
FIXED ASSETS			
Investments	5	1	1
CURRENT ASSETS			
Debtors	6	4,616,753	4,616,753
CREDITORS			
Amounts falling due within one year	7	<u>1,059,228</u>	<u>1,059,228</u>
NET CURRENT ASSETS		<u>3,557,525</u>	<u>3,557,525</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>3,557,526</u></u>	<u><u>3,557,526</u></u>
CAPITAL AND RESERVES			
Called up share capital	8	10,500	10,500
Profit and loss account	9	<u>3,547,026</u>	<u>3,547,026</u>
SHAREHOLDERS' FUNDS	12	<u><u>3,557,526</u></u>	<u><u>3,557,526</u></u>

The financial statements were approved by the Board of Directors on its behalf by

28 / 9 / 2011

and were signed on


G E Franklin - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

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, 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

Deferred tax

Deferred taxation is provided in full on all timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Investments

Investments held as fixed assets are stated at cost less provision for permanent diminution in value.

Dividends are brought to account in the profit and loss account when received.

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, Orient-Express Hotels Ltd, publishes a consolidated cash flow statement.

Taxation

Current 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.

2 STAFF COSTS

There were no staff costs for the year ended 31 December 2010 nor for the year ended 31 December 2009.

3 OPERATING PROFIT

The operating profit is stated after charging

	2010 £	2009 £
Directors' remuneration	-	-

The audit fee of £500 (2009 £1,000) is borne by the subsidiary The Great Scottish & Western Railway Company Limited.

**GREAT SCOTTISH AND WESTERN RAILWAY
HOLDINGS LIMITED (REGISTERED NUMBER: 2985176)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010**

4 TAXATION

Analysis of the tax credit

The tax credit on the profit on ordinary activities for the year was as follows

	2010 £	2009 £
Current tax		
Adjustment for prior years	-	(4,316)
	<u>-</u>	<u>(4,316)</u>
Tax on loss on ordinary activities	-	(4,316)
	<u>-</u>	<u>(4,316)</u>

Factors affecting the tax credit

The tax assessed for the year is the same as the standard rate of corporation tax in the UK.

	2010 £	2009 £
Loss on ordinary activities before tax	-	(106,152)
	<u>-</u>	<u>(106,152)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 0% (2009 - 28%)	-	(29,723)
Effects of Capital allowances in excess of depreciation	-	29,723
Adjustment in respect of prior years	-	(4,316)
	<u>-</u>	<u>(4,316)</u>
Current tax credit	-	(4,316)
	<u>-</u>	<u>(4,316)</u>

5 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2010 and 31 December 2010	1
	<u>1</u>
NET BOOK VALUE	
At 31 December 2010	1
	<u>1</u>
At 31 December 2009	1
	<u>1</u>

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: 2985176)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010**

6 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010	2009
	£	£
Amounts owed by group undertakings	<u>4,616,753</u>	<u>4,616,753</u>

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010	2009
	£	£
Amounts owed to group undertakings	<u>1,059,228</u>	<u>1,059,228</u>

8 CALLED UP SHARE CAPITAL

Allotted, Number	issued and fully paid Class	Nominal value	2010 £	2009 £
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 £
At 1 January 2010	3,547,026
Profit for the year	-
At 31 December 2010	<u>3,547,026</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 2010 and 31 December 2009 between group entities is as follows

	2010 £	2009 £
VSOE	(1,059,228)	(1,059,228)
GSWR Company	4,616,753	4,616,753

11 ULTIMATE CONTROLLING PARTY

The smallest and largest group for which consolidated financial statements are prepared is the ultimate parent company and controlling party, 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.

**GREAT SCOTTISH AND WESTERN RAILWAY
HOLDINGS LIMITED (REGISTERED NUMBER: 2985176)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2010**

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Loss for the financial year	-	(101,836)
Net addition/(reduction) to shareholders' funds	-	(101,836)
Opening shareholders' funds	3,557,526	3,659,362
Closing shareholders' funds	<u>3,557,526</u>	<u>3,557,526</u>