

Company Registration No 2740837

PROJECT DEFIANCE LIMITED

Report and Financial Statements

31st December 2004



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COMPANIES HOUSE 27/10/2005

PROJECT DEFIANCE LIMITED

REPORT AND FINANCIAL STATEMENTS 2004

OFFICERS AND FINANCIAL ADVISERS

DIRECTORS

**D N Clough
J Dunster
R A Hale ACA
C R Holland
J S Tiley FCA**

SECRETARY

R A Hale ACA

REGISTERED OFFICE

**12 Bailey Close
Windsor
Berkshire
SL4 3RD**

PROJECT DEFIANCE LIMITED

DIRECTORS' REPORT

The directors present their annual report and the financial statements for the year ended 31st December 2004.

DIRECTORS RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The directors responsibilities for the preparation of the financial statements are detailed on page 4.

ACTIVITIES

The principal activity of the company is the operation of ex-British Rail Class 50 diesel locomotive no 50049 "Defiance". This activity is not expected to change in the foreseeable future.

REVIEW OF THE BUSINESS

During 2004 the Company continued to be an integral part of the heritage diesel charter business providing 50049 for a number rail excursions. The locomotive travelled widely on the rail network on various rail excursions organised by Pathfinder Rail Services and Riviera Trains. These activities have moved the company into profit this year and there are an increasing number of bookings for 2005 which will continue 50049's successful mainline activities.

Mainline running continues to involve considerable costs and effort. The Company also incurred the expense of fitting Train Protection Warning System to the locomotive during 2004.

As ever the Board would like to thank the dedicated team of volunteers who maintain the locomotive to such a high standard.

RESULTS AND DIVIDENDS

The trading profit for the year amounted to £3,199 (2003 Loss - £5,094). No dividend was declared during the year and the profit, after taxation, of £3,199 (2003 Loss - £5,094) has been transferred to reserves.

FUTURE DEVELOPMENTS

Following a successful year, your directors will continue to explore appropriate opportunities for profitable main line running.

FIXED ASSETS

Tangible fixed assets comprise 50049 "Defiance", long term spares, and a lorry. The cost of Train Protection Warning System equipment fitted during the year has been added to the locomotive's cost.

It should be noted that the locomotive 50049 and spares are shown in the balance sheet at their original cost plus improvements. It will be appreciated that the current realisable value whilst being extremely difficult to establish precisely is considerably in excess of this figure.

DIRECTORS

The directors who served during the period and their interests in the ordinary share capital of the company were as follows:

	2004	2003
D N Clough	81	81
J Dunster	1	1
R A Hale	94	88
C R Holland	3	3
J S Tiley	14	14

DIRECTORS' REPORT

AUDITORS

The Companies Act 1985 confers exemption from audit for certain categories of small company. Under Section 249A(1) those companies which meet the total exemption conditions in respect of a financial year are exempt from the obligation to have their annual accounts audited. The directors are satisfied that the company meets the total exemption conditions and have hence not instructed auditors to carry out an audit this year.

In view of the above, and that the total exemption conditions are likely to continue for the foreseeable future, a resolution not to appoint auditors will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board.

R A Hale ACA

R.A. Hale

Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act.

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.

PROJECT DEFIANCE LIMITED

PROFIT AND LOSS ACCOUNT
For the year ended 31st December 2004

	Note	£	2003 £
TURNOVER	4	8325	8725
		=====	=====
Operating profit (loss)	5	3023	-5233
Interest receivable and similar income		176	139
Interest payable and similar charges		-	-
PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		3199	-5094
		-----	-----
Tax charge on ordinary activities	6	-	-
PROFIT (LOSS) FOR THE FINANCIAL YEAR		3199	-5094
		=====	=====

Note: There are no other recognised gains and losses for the current financial year or preceding financial year other than as stated in the profit and loss account.

PROJECT DEFIANCE LIMITED

BALANCE SHEET
31st December 2004

	Note	£	£	£	2003 £
FIXED ASSETS					
Tangible Assets	7		6213		1295
CURRENT ASSETS					
Stocks	8	468		468	
Debtors	9	10213		4713	
Cash at bank		13212		15736	
		<u>23893</u>		<u>20917</u>	
CURRENT LIABILITIES					
Creditors:					
Amounts falling due within one year		6789		2694	
NET CURRENT ASSETS			17104		18223
			<u>23317</u>		<u>19518</u>
			=====		=====
CAPITAL AND RESERVES					
Called up share capital	10		38950		38350
Profit and loss account	11		-15633		-18832
			<u>23317</u>		<u>19518</u>
			=====		=====

The directors confirm that:

- (a) for the year in question the company was entitled to exemption under subsection (1) of section 249A of the Companies Act 1985,
- (b) no notice has been deposited under section 249B(2) in relation to its accounts for the financial year, and
- (c) they acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with section 221, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

Approved by the Board on 2nd July 2005

J. S. Tiley Director

J.S.T.

NOTES TO THE ACCOUNTS
Year ended 31st December 2004

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow forecast on the grounds that it is a small company.

Tangible fixed assets

Depreciation is provided on the cost of assets in equal annual instalments over the estimated lives of the assets. The rate of depreciation is as follows:

Locomotive D449	10% per annum
Locomotive spares	10% per annum
Plant and machinery	20% per annum
Lorry	25% per annum

Stocks

Stocks comprising consumable stores are stated at the lower of cost or net realisable value.

2 EMPLOYEES

The company has no employees.

3 DIRECTORS

None of the directors received any remuneration during the period.

4 TURNOVER

Turnover represents invoiced sales to customers and is stated net of value added tax.

PROJECT DEFIANCE LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31st December 2004

5 OPERATING PROFIT

	2004	2003
	£	£
Operating profit is after charging:		
Depreciation	1982	2827

6 TAXATION

No corporation tax charge arises on the profit for the year due to utilising losses brought forward .
Losses available for carry forward total approximately £14,400.

7 TANGIBLE FIXED ASSETS

	Loco 50049 £	Loco spares £	Lorry £	Total £
Cost at 1st January 2004	10000	9665	4450	24115
Additions	6900			6900
Cost at 31st December 2004	16900	9665	4450	31015
Depreciation				
At 1st January 2004	9999	9484	3337	22820
Charge for the year	690	180	1112	1982
At 31st December 2004	10689	9664	4449	24802
Net book value				
At 31st December 2004	6211	1	1	6213
At 31st December 2003	1	181	1113	1295

8 STOCKS

Stocks comprise consumable materials.

PROJECT DEFIANCE LIMITED

NOTES TO THE ACCOUNTS
For the year ended 31st December 2004

9 DEBTORS

2004	2003
£	£
10,213	4713
=====	=====

Other debtors

10 CALLED UP SHARE CAPITAL

2004	2003
£	£
100000	100000
=====	=====
38950	38350
=====	=====

Authorised
 4000 ordinary shares of £25 each

Allotted and fully paid
 1558 ordinary shares of £25 each

During the period a further 24 ordinary shares were issued for cash to provide working capital. The Class 50 Society hold 495 ordinary shares representing 31.8% of the shares in issue at the balance sheet date.

11 PROFIT AND LOSS ACCOUNT

Debit balance at 1st January 2004	-18832
Add: Profit for the year	3199
Debit balance at 31st December 2004	=====
	-15633
	=====

12 RECONCILIATION OF MOVEMENT OF SHAREHOLDERS FUNDS

	2004	2003
	£	£
Opening shareholders funds at 1st January 2004	38350	37775
New capital subscribed	600	575
Closing shareholders funds at 31st December 2004	=====	=====
	38950	38350
	=====	=====