

Company Registration No 2740837

**PROJECT DEFIANCE LIMITED**

**Report and Financial Statements**

**31st December 1999**



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**PROJECT DEFIANCE LIMITED**

**REPORT AND FINANCIAL STATEMENTS 1999**

**OFFICERS AND FINANCIAL ADVISERS**

**DIRECTORS**

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

**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 1999.

### 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 50149 "Defiance". This activity is not expected to change in the foreseeable future.

### REVIEW OF THE BUSINESS

The electric train heating generator was repaired early in 1999 and the locomotive participated in a number of running days on the West Somerset Railway during the year. In October 50149 moved to Kidderminster for running opportunities on the Severn Valley Railway and participated in the Severn Valley Railway's Autumn Diesel Gala. The company also carried out work on Class 50 50017 during 1999 restoring that locomotive to full running order from a semi-derelict state.

### RESULTS AND DIVIDENDS

The trading profit for the year amounted to £1771 (1998 Loss - £1451). No dividend was declared during the year and the profit, after taxation, of £1763 (1998 Loss - £1487) has been transferred to reserves.

### FUTURE DEVELOPMENTS

The locomotive is now based temporarily on the Severn Valley Railway (SVR) pending a decision as to whether it will return to the West Somerset Railway. It is planned that Defiance will participate in a number of running days on the SVR during 2000. 50149 has also now been passed for operation on the mainline and the Board are exploring opportunities for a limited amount of main line running.

### FIXED ASSETS

Tangible fixed assets comprise 50149 Defiance, long term spares and a crane which was purchased during the period. The tangible fixed assets are disclosed in note 7 to the accounts at a total cost of £22,115.

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

Investments held as fixed assets comprise a holding of 40,000 shares of 10p each in the West Somerset Railway Plc.

## PROJECT DEFIANCE LIMITED

### DIRECTORS ' REPORT (continued)

#### DIRECTORS

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

	1999	1998
D N Clough	81	81
C R Holland	3	3
J S Tiley	14	14
R A Hale	66	60
R Tiller (resigned 23rd June 1999)	-	1
J. Dunster (Appointed 10th June 2000)	1	-

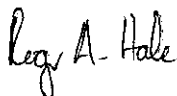
#### AUDITORS

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



Secretary

## PROJECT DEFIANCE LIMITED

### 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 as 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 1999

	Note	1999 £	1998 £
<b>TURNOVER</b>	4	<u>7290</u>	<u>3200</u>
<b>Operating Profit (Loss)</b>	5	1729	(1623)
<b>Interest receivable and similar income</b>		42	172
<b>Interest payable and similar charges</b>		-	-
		<u>          </u>	<u>          </u>
<b>PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1771	(1451)
<b>Tax charge on ordinary activities</b>	6	8	36
		<u>          </u>	<u>          </u>
<b>PROFIT (LOSS) FOR THE FINANCIAL YEAR 12</b>		<u>1763</u>	<u>(1487)</u>

**Note :** There are no 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 1999

	Note	1999	1998
		£	£
<b>FIXED ASSETS</b>			
Tangible Assets	7	9265	11721
Investments	8	4000	4000
		<u>13265</u>	<u>15721</u>
<b>CURRENT ASSETS</b>			
Stocks	9	468	468
Debtors	10	6395	-
Cash at bank		2383	3404
		<u>9246</u>	<u>3872</u>
<b>CREDITORS: Amounts falling due within one year</b>		<u>1547</u>	<u>992</u>
<b>NET CURRENT ASSETS</b>		7699	2880
		<u>20964</u>	<u>18601</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	32500	31900
Profit and loss account	12	(11536)	(13299)
		<u>20964</u>	<u>18601</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 31<sup>st</sup> August 2000

J. S. Tiley Director



## PROJECT DEFIANCE LIMITED

### NOTES TO THE ACCOUNTS Year ended 31st December 1999

#### 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 50149	10% per annum
Locomotive spares	10% per annum
Plant and machinery	20% per annum

##### Investments

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

##### Stocks

Stocks comprising consumable stores are stated at the lower of cost and 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.

#### 5. OPERATING PROFIT

	1999	1998
	£	£
Operating profit (loss) is after charging:		
Depreciation	2456	2948



PROJECT DEFIANCE LIMITED

NOTES TO THE ACCOUNTS  
Year ended 31st December 1999

6. TAXATION

The corporation tax charge arises on bank interest received, against which tax losses brought forward are not available

7. TANGIBLE FIXED ASSETS

	Locomotive 50149 £	Locomotive Spares £	Plant and machinery £	Total £
Cost at 1st January 1999	10000	9665	2450	22115
Cost at 31st December 1999	<u>10000</u>	<u>9665</u>	<u>2450</u>	<u>22115</u>
Depreciation				
At 1st January 1999	5250	4654	490	10394
Charge for the year	1000	966	490	2456
At 31st December 1999	<u>6250</u>	<u>5620</u>	<u>980</u>	<u>12850</u>
Net book value				
At 31st December 1999	<u>3750</u>	<u>4045</u>	<u>1470</u>	<u>9265</u>
At 31st December 1998	<u>4750</u>	<u>5011</u>	<u>1960</u>	<u>11721</u>

8. INVESTMENTS HELD AS FIXED ASSETS

The company continues to hold 40,000 shares of 10p each in the West Somerset Railway Plc at a cost of £4,000. Whilst there is no ready market in these shares, the Directors are satisfied that the price at which sales have taken place supports their being carried at cost in the balance sheet and that no provision for permanent diminution in value is necessary.

9. STOCKS

Stocks comprise consumable materials

10. DEBTORS

	1999 £	1998 £
Other debtors	<u>6395</u>	<u>-</u>

**PROJECT DEFIANCE LIMITED**

**NOTES TO THE ACCOUNTS**  
Year ended 31st December 1999

**11. CALLED UP SHARE CAPITAL**

	1999	1998
	£	£
Authorised		
4,000 ordinary shares of £25 each	<u>100000</u>	<u>100000</u>
Allotted and fully paid		
1,300 ordinary shares of £25 each	<u>32500</u>	<u>31900</u>

During the period a further 24 ordinary shares were issued for cash to provide working capital. The Class 50 Society hold 362 ordinary shares representing 28% of the shares in issue at the balance sheet date.

**12. PROFIT AND LOSS ACCOUNT**

	£
Debit balance at 1st January 1999	(13299)
Less : Profit for the year	1763
Debit balance at 31st December 1999	<u>(11536)</u>

**13. RECONCILIATION OF MOVEMENT OF SHAREHOLDERS' FUNDS**

	1999	1998
	£	£
Opening shareholders funds at 1st January 1999	31900	31225
New share capital subscribed	600	675
Closing shareholders funds at 31st December 1999	<u>32500</u>	<u>31900</u>