

Company Registration No 2740837

**PROJECT DEFIANCE LIMITED**

**Report and Financial Statements**

**31st December 2005**



**PROJECT DEFIANCE LIMITED**

**REPORT AND FINANCIAL STATEMENTS 2005**

**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**

## DIRECTORS' REPORT

The directors present their annual report and the financial statements for the year ended 31st December 2005.

## 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 2005 the Company continued to play a significant part in the heritage diesel charter business providing 50049 for a number of excursions. The locomotive travelled widely on the rail network involving excursions to many parts of the UK including the West Highland line in Scotland in March 2005. In addition 50049 was used on a number of football excursions to the Millennium Stadium in Cardiff.

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

## FUTURE DEVELOPMENTS

In part due to satisfaction with the 2005 spot hire arrangement with Arriva Trains Wales (ATW), in 2006 the company, in conjunction with The Fifty Fund (TFF), operators of locomotives 50031, 50035 and 50044, was successful in tendering for the use of 50049 on a wider range of trains on the ATW network. This arrangement with ATW is envisaged as continuing through to 2009.

It was decided to form a new company, Class Fifty Operations Limited, to serve as the hiring agent for both 50049 and The Fifty Fund's locomotives whilst undertaking main line work. Your company and TFF are the members of this company.

For a number of years your company and TFF have coexisted under the informal umbrella organisation, Class 50 Alliance. During 2006 steps are being taken to merge the company's activities with those of TFF and a proposal to achieve this objective will be put to the members at an Extraordinary General Meeting to be held late in November 2006.

## RESULTS AND DIVIDENDS

The trading profit for the year amounted to £10,604 (2004 £3,199). No dividend was declared during the year and the profit, after taxation, of £10,604 (2004 - £3,199) has been transferred to reserves.

## FIXED ASSETS

Tangible fixed assets comprise 50049 "Defiance", long term spares, and a lorry.

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' REPORT**

**DIRECTORS**

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

|             | 2005 | 2004 |
|-------------|------|------|
| D N Clough  | 81   | 81   |
| J Dunster   | 1    | 1    |
| R A Hale    | 101  | 94   |
| C R Holland | 3    | 3    |
| J S Tiley   | 14   | 14   |

**AUDITORS**

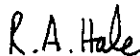
The Companies Act 1985 confers exemption from audit for certain categories of small company. Under Section 249A(1) those companies which meet the total exemption conditions in respect of a financial year are exempt from the obligation to have their annual accounts audited. The directors are satisfied 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



**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 2005

|  | Note | 2005<br>£      | 2004<br>£     |
|--|------|----------------|---------------|
| <b>TURNOVER</b>  | 4    | 16500<br>===== | 8325<br>===== |
| <b>Operating profit</b>                                  | 5    | 10274          | 3023          |
| <b>Interest receivable and similar income</b>            |      | 330            | 176           |
| <b>Interest payable and similar charges</b>              |      | -              | -             |
| <b>PROFIT ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b> |      | 10604          | 3199          |
| <b>Tax charge on ordinary activities</b>                 | 6    | -              | -             |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>                     |      | 10604<br>===== | 3199<br>===== |

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 2005

|                                     | Note | £     | £     | £     | 2004<br>£ |
|-------------------------------------|------|-------|-------|-------|-----------|
| <b>FIXED ASSETS</b>                 |      |       |       |       |           |
| Tangible Assets                     | 7    |       | 5523  |       | 6213      |
| <b>CURRENT ASSETS</b>               |      |       |       |       |           |
| Stocks                              | 8    | 468   |       | 468   |           |
| Debtors                             | 9    | 25    |       | 10213 |           |
| Cash at bank                        |      | 29642 |       | 13212 |           |
|                                     |      |       | 30135 | 23893 |           |
| <b>CURRENT LIABILITIES</b>          |      |       |       |       |           |
| Creditors:                          |      |       |       |       |           |
| Amounts falling due within one year |      | 1062  |       | 6789  |           |
| <b>NET CURRENT ASSETS</b>           |      |       |       |       |           |
|                                     |      |       | 29073 |       | 17104     |
|                                     |      |       | 34596 |       | 23317     |
|                                     |      |       | ===== |       | =====     |
| <b>CAPITAL AND RESERVES</b>         |      |       |       |       |           |
| Called up share capital             | 10   |       | 39625 |       | 38950     |
| Profit and loss account             | 11   |       | -5029 |       | -15633    |
|                                     |      |       | 34596 |       | 23317     |
|                                     |      |       | ===== |       | =====     |

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 26 October 2006

J. S. Tiley Director



**NOTES TO THE ACCOUNTS**  
Year ended 31st December 2005

**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 2005

5 OPERATING PROFIT

|                                     | 2005  | 2004  |
|-------------------------------------|-------|-------|
|                                     | £     | £     |
| Operating profit is after charging: |       |       |
| Depreciation                        | 690   | 1982  |
|                                     | ===== | ===== |

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 £4,000.

7 TANGIBLE FIXED ASSETS

|                            | Loco<br>50049<br>£ | Loco<br>spares<br>£ | Lorry<br>£ | Total<br>£ |
|----------------------------|--------------------|---------------------|------------|------------|
| Cost at 1st January 2005   | 16900              | 9665                | 4450       | 31015      |
| Additions                  | -                  | -                   | -          | -          |
| Cost at 31st December 2005 | 16900              | 9665                | 4450       | 31015      |
| Depreciation               |                    |                     |            |            |
| At 1st January 2005        | 10689              | 9664                | 4449       | 24802      |
| Charge for the year        | 690                | -                   | -          | 690        |
| At 31st December 2005      | 11379              | 9664                | 4449       | 25492      |
| Net book value             |                    |                     |            |            |
| At 31st December 2005      | 5521               | 1                   | 1          | 5523       |
| At 31st December 2004      | 6211               | 1                   | 1          | 6213       |

8 STOCKS

Stocks comprise consumable materials.

PROJECT DEFIANCE LIMITED

NOTES TO THE ACCOUNTS  
For the year ended 31st December 2005

|   |                |       |       |
|---|----------------|-------|-------|
| 9 | <b>DEBTORS</b> | 2005  | 2004  |
|   |                | £     | £     |
|   | Other debtors  | 25    | 10213 |
|   |                | ===== | ===== |

|    |   |        |        |
|----|---|--------|--------|
| 10 | <b>CALLED UP SHARE CAPITAL</b>                              | 2005   | 2004   |
|    |   | £      | £      |
|    | Authorised<br>4000 ordinary shares of £25 each              | 100000 | 100000 |
|    |   | '===== | '===== |
|    | Allotted and fully paid<br>1585 ordinary shares of £25 each | 39625  | 38950  |
|    |   | =====  | =====  |

During the period a further 27 ordinary shares were issued for cash to provide working capital. The Class 50 Society hold 495 ordinary shares representing 31.2% of the shares in issue at the balance sheet date.

|    |                                     |  |                         |
|----|-------------------------------------|--|-------------------------|
| 11 | <b>PROFIT AND LOSS ACCOUNT</b>      |  |                         |
|    | Debit balance at 1st January 2005   |  | -15633                  |
|    | Add: Profit for the year            |  | 10604                   |
|    | Debit balance at 31st December 2005 |  | -----<br>-5029<br>===== |

|    |   |                         |                         |
|----|---|-------------------------|-------------------------|
| 12 | <b>RECONCILIATION OF MOVEMENT OF SHAREHOLDERS FUNDS</b> | 2005                    | 2004                    |
|    |   | £                       | £                       |
|    | Opening shareholders funds at 1st January 2005          | 38950                   | 38350                   |
|    | New capital subscribed                                  | 675                     | 600                     |
|    | Closing shareholders funds at 31st December 2005        | -----<br>39625<br>===== | -----<br>38950<br>===== |