

Company Registration No 2740837

CLASS 50 ALLIANCE LIMITED

Report and Financial Statements

31st December 2006

FRIDAY



"AE9LNU43"

A31

26/10/2007

243

COMPANIES HOUSE

CLASS 50 ALLIANCE LIMITED

REPORT AND FINANCIAL STATEMENTS 2006

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 2006

CHANGE OF NAME

On 18th December 2006 the company changed its name from Project Defiance Limited to Class 50 Alliance Limited

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 will be enhanced by the acquisition set out below

REVIEW OF THE BUSINESS

2006 was a landmark year in two important respects First, in conjunction with The Fifty Fund (TFF), your company became a 50% owner of Class Fifty Operations Limited (CFOL), which was formed to operate locomotives on the mainline, in particular Class 50 The decision to form CFOL was taken to make it easier to administer the hiring out of the Class 50s owned and operated by both your company and TFF, notably in relation to a contract with Arriva Trains Wales

The ATW hire arrangement involved provision of two Class 50s for work in South Wales and finally ended in March 2007 Your company charged CFOL for the use of 50049 but remained responsible for heavy maintenance over and above that provided for within the terms of the agreement with ATW The locomotive was also hired to other operators during the year

At an Extraordinary General Meeting held in November 2006 shareholders approved a resolution to acquire the assets of The Fifty Fund on 1st January 2007 These assets include Class 50 locomotives, 50035 and 50044 In connection with this arrangement the company's name was changed as outlined above The acquisition of the assets of TFF was financed by the issue of appropriate additional shares in your company to all TFF shareholders

FUTURE DEVELOPMENTS

With an enlarged fleet of locomotives available, work is proceeding to certificate 50044 for mainline work Spot hire arrangements with a number of operators have been arranged and are anticipated to continue during 2007

RESULTS AND DIVIDENDS

The trading profit for the year amounted to £45,385 (2005 £10,604) No dividend was declared during the year and the profit, after taxation, of £37,764 (2005 - £10,604) 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, less depreciation 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

	2006	2005
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

CLASS 50 ALLIANCE LIMITED

PROFIT AND LOSS ACCOUNT
For the year ended 31st December 2006

	Note	2006 £	2005 £
TURNOVER	4	50,532 =====	16,500 =====
Operating profit	5	45,867	10,274
Interest receivable and similar income		482	330
Interest payable and similar charges		-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		45,385	10,604
Tax charge on ordinary activities	6	7,621	-
PROFIT FOR THE FINANCIAL YEAR		37,764 =====	10,604 =====

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

CLASS 50 ALLIANCE LIMITED

BALANCE SHEET
31st December 2006

	Note	£	2006 £	£	2005 £
FIXED ASSETS					
Tangible Assets	7		4,833		5,523
CURRENT ASSETS					
Stocks	8	468		468	
Debtors	9	19,057		25	
Cash at bank		91,357		29,642	
		110,882		30,135	
CURRENT LIABILITIES					
Creditors					
Amounts falling due within one year		42,780		1,062	
NET CURRENT ASSETS			68,102		29,073
			72,935		34,596
CAPITAL AND RESERVES					
Called up share capital	10		40,200		39,625
Profit and loss account	11		32,735		(5,029)
			72,935		34,596

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 20th October 2007

J S Tiley Director



NOTES TO THE ACCOUNTS
Year ended 31st December 2006

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 50049	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

CLASS 50 ALLIANCE LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31st December 2006

5 OPERATING PROFIT

	2006	2005
	£	£
Operating profit is after charging Depreciation	690	690
	=====	=====

6 TAXATION

	2006	2005
	£	£
UK Corporation tax at 19%	7,621	-
	=====	=====

The tax assessed for the year is different than that resulting from applying the small companies rate of corporation tax in the UK at 19% as follows -

	2006	2005
	£	£
Profit on ordinary activities before tax	45,385	10,604
	=====	=====
Tax at 19% thereon	8,623	2,015
Effects of Capital allowances in excess of depreciation	-150	-244
Losses brought forward	-852	-1,771
Current tax charge for the year	7,621	0
	=====	=====

7 TANGIBLE FIXED ASSETS

	Loco 50049 £	Loco spares £	Lorry £	Total £
Cost at 1st January 2006	16,900	9,665	4,450	31,015
Additions	-	-	-	-
Cost at 31st December 2006	16,900	9,665	4,450	31,015
Depreciation				
At 1st January 2006	11,379	9,664	4,449	25,492
Charge for the year	690	-	-	690
At 31st December 2006	12,069	9,664	4,449	26,182
Net book value				
At 31st December 2006	4,831	1	1	4,833
	=====	=====	=====	=====
At 31st December 2005	5,521	1	1	5,523
	=====	=====	=====	=====

8 STOCKS

Stocks comprise consumable materials

CLASS 50 ALLIANCE LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31st December 2006

9 DEBTORS

	2006	2005
	£	£
Other debtors	19,057	25
	=====	=====

10 CALLED UP SHARE CAPITAL

	2006	2005
	£	£
Authorised		
4000 ordinary shares of £25 each	100,000	100,000
	=====	=====
Allotted and fully paid		
1585 ordinary shares of £25 each	40,200	39,625
	=====	=====

During the period a further 23 ordinary shares were issued for cash to provide working capital
The Class 50 Society hold 495 ordinary shares representing 30.8% of the shares in issue at
the balance sheet date

11 PROFIT AND LOSS ACCOUNT

Debit balance at 1st January 2006	(5,029)
Add Profit for the year	37,764
Credit balance at 31st December 2006	32,735
	=====

12 RECONCILIATION OF MOVEMENT OF SHAREHOLDERS FUNDS

	2006	2005
	£	£
Opening shareholders funds at 1st January 2006	39,625	38,950
New capital subscribed	575	675
Closing shareholders funds at 31st December 2006	40,200	39,625
	=====	=====

13 INVESTMENT

During the year the company became a 50% owner of Class Fifty Operations Limited, a company
limited by guarantee. This acquisition incurred no cost and any liability of this company in the
event of Class Fifty Operations Limited being wound up is limited to a maximum of £1

14 POST BALANCE SHEET EVENT

On 1st January 2007 Class 50 Alliance Limited acquired the net assets of The Fifty Fund
totalling £137,253. This acquisition was financed by the issue of appropriate further
shares in the company. The company's authorised share capital has been increased
by the creation of a further 16,000 ordinary shares of £25 each to facilitate this