

**Company Registration No 2740837**

**PROJECT DEFIANCE LIMITED**

**Report and Financial Statements**

**30th September 1996**



**PROJECT DEFIANCE LIMITED,**

**REPORT AND FINANCIAL STATEMENTS 1996**

**OFFICERS AND FINANCIAL ADVISERS**

**DIRECTORS**

**D N Clough  
F H Grice  
R A Hale ACA  
C R Holland  
J S Tiley FCA  
R Tiller**

**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 30th September 1996.

### **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 DEVELOPMENTS**

There were a limited number of opportunities for running during the year but these were boosted when the West Somerset Railway had to call on No 50149 to assist or replace steam locomotives; this was caused by a poor batch of coal delivered at the start of the 1996 season. There was, however, no major diesel gala and this had a mitigating effect on revenue.

Following the Autumn 1995 gala part of the train heating generator windings became detached and caused a major failure of that component. Fortunately a spare was in stock, but, despite being an overhauled, ex-works unit, it was faulty and needed repairing before installation. On 9th June 1996 a second earth fault developed on the main generator. It was not serious enough to cause the locomotive to be side-lined; however it will require removal and repair in the future.

### **RESULTS AND DIVIDENDS**

The trading loss for the year amounted to £2,932 (1995 - profit £99). No dividend was declared during the year and the loss of £2,932(1995 - profit £99) has been transferred to reserves.

### **FUTURE DEVELOPMENTS**

A number of jobs are in progress at the end of the 1996 season. These include the refurbishment of the No 2 end cab and removal of B1 cylinder head. The latter work is required to identify the reason why the engine is smoky when cold. The main 1997 gala on the West Somerset Railway will mark 20 years since the end of diesel hydraulic traction on BR. As a diesel electric this will not, therefore, be a major event for Defiance. Plans are, however, already underway for the 1998 gala which will celebrate 30 years of Class 50.

## PROJECT DEFIANCE LIMITED

### DIRECTORS ' REPORT (continued)

#### FIXED ASSETS

Tangible fixed assets comprising 50149 Defiance together with long term spares are disclosed in note 6 to the accounts at a total cost of £19,665.

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, in which the company invested during the year.

#### DIRECTORS

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

	1996	1995
D N Clough	81	79
F H Grice	2	2
C R Holland	3	3
J S Tiley	14	14
R A Hale	48	36
R Tiller	1	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

*R.A. Hale*

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 30th September 1996**

	Note	1996 £	1995 £
<b>TURNOVER</b>	<b>4</b>	<b>2954</b>	<b>2996</b>
		<u>          </u>	<u>          </u>
<b>Operating (Loss) Profit</b>	<b>5</b>	<b>(2977)</b>	<b>7</b>
<b>Interest receivable and similar income</b>		<b>45</b>	<b>92</b>
<b>Interest payable and similar charges</b>		<b>-</b>	<b>-</b>
		<u>          </u>	<u>          </u>
<b>(LOSS) PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(2932)</b>	<b>99</b>
<b>Tax charge on profit on ordinary activities</b>		<b>-</b>	<b>-</b>
		<u>          </u>	<u>          </u>
<b>(LOSS) PROFIT FOR THE FINANCIAL YEAR 11</b>		<b>(2932)</b>	<b>99</b>
		<u>          </u>	<u>          </u>

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

# PROJECT DEFIANCE LIMITED

## BALANCE SHEET 30th September 1996

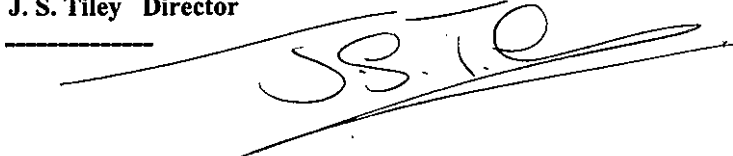
	Note	1996 £	1995 £
<b>FIXED ASSETS</b>			
Tangible Assets	6	14,186	15,153
Investments	7	4,000	-
		<u>18,186</u>	<u>15,153</u>
<b>CURRENT ASSETS</b>			
Stocks	8	468	468
Debtors	9	850	2,347
Cash at bank		2,371	5,406
		<u>3,689</u>	<u>8,221</u>
<b>CREDITORS: Amounts falling due within one year</b>		<u>641</u>	<u>158</u>
<b>NET CURRENT ASSETS</b>		<u>3,048</u>	<u>8,063</u>
		<u>21,234</u>	<u>23,216</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	30,300	29,350
Profit and loss account	11	(9,066)	(6,134)
		<u>21,234</u>	<u>23,216</u>

The directors confirm that:

- for the year in question the company was entitled to exemption under subsection (1) of section 249A of the Companies Act 1985,
- no notice has been deposited under section 249B(2) in relation to its accounts for the financial year, and
- they acknowledge their responsibilities for:
  - ensuring that the company keeps accounting records which comply with section 221, and
  - 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 8th May 1997

J. S. Tiley Director



## PROJECT DEFIANCE LIMITED

### NOTES TO THE ACCOUNTS Year ended 30th September 1996

#### 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

##### 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 LOSS

	1996	1995
	£	£
Operating (loss) profit is after charging:		
Depreciation	1,967	1,886



**PROJECT DEFIANCE LIMITED**

**NOTES TO THE ACCOUNTS**  
Year ended 30th September 1996

**6. TANGIBLE FIXED ASSETS**

	<b>Locomotive 50149 £</b>	<b>Locomotive Spares £</b>	<b>Total £</b>
Cost at 1st October 1995	10,000	8,665	18,665
Additions	-	1,500	1,500
Sales	-	(500)	(500)
<b>Cost at 30th September 1996</b>	<u>10,000</u>	<u>9,665</u>	<u>19,665</u>
<b>Depreciation</b>			
At 1st October 1995	2,000	1,512	3,512
Charge for the year	1,000	967	1,967
<b>At 30th September 1995</b>	<u>3,000</u>	<u>2,479</u>	<u>5,479</u>
<b>Net book value</b>			
At 30th September 1996	<u>7,000</u>	<u>7,186</u>	<u>14,186</u>
<b>At 30th September 1995</b>	<u>8,000</u>	<u>7,153</u>	<u>15,153</u>

**7. INVESTMENTS HELD AS FIXED ASSETS**

During the year the company acquired 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.

**8. STOCKS**

Stocks comprise consumable materials

**9. DEBTORS**

	<b>1996 £</b>	<b>1995 £</b>
Other debtors	<u>850</u>	<u>2,347</u>

**10. CALLED UP SHARE CAPITAL**

	<b>1996 £</b>	<b>1995 £</b>
Authorised 4,000 ordinary shares of £25 each	<u>100,000</u>	<u>100,000</u>
Allotted and fully paid 1,212 ordinary shares of £25 each	<u>30,300</u>	<u>29,350</u>

During the year a further 38 ordinary shares were issued for cash for the purpose of funding the acquisition of essential spares and for working capital. The Class 50 Society hold 362 ordinary shares representing 29.9% of the shares in issue at the balance sheet date. 8

**PROJECT DEFIANCE LIMITED**

**NOTES TO THE ACCOUNTS**  
**Year ended 30th September 1996**

**11) PROFIT AND LOSS ACCOUNT**

	£
Debit balance at 1st October 1995	(6,134)
Add : Loss for the year	(2,932)
Debit balance at 30th September 1996	<u>(9,066)</u>

**12) RECONCILIATION OF MOVEMENT OF SHAREHOLDERS FUNDS**

	1996 £	1995 £
Opening shareholders funds at 1st October 1995	29,350	25,325
New share capital subscribed	950	4,025
Closing shareholders funds at 30th September 1996	<u>30,300</u>	<u>29,350</u>