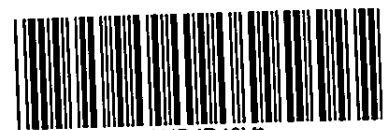


Company Registration No. 2652429 (England and Wales)

**PARRY PEOPLE MOVERS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

THURSDAY



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COMPANIES HOUSE

# PARRY PEOPLE MOVERS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	J P M Parry MBE D R Oldfield J S Hilton R S Glendenning G J Lusher C B Holden OBE R L Sansom B C Mackie
<b>Secretary</b>	E J Sansom
<b>Company number</b>	2652429
<b>Registered office</b>	Overend Road Cradley Heath West Midlands B64 7DD
<b>Auditors</b>	Neal and Co Business Services Ltd Shakespeare Buildings 26 Cradley Road Cradley Heath West Midlands B64 6AG
<b>Bankers</b>	HSBC Bank plc 1 Great Cornbow Halesowen B63 3AD
<b>Solicitors</b>	Wrigleys 19 Cookridge Street Leeds LS2 3AG

# **PARRY PEOPLE MOVERS LIMITED**

## **CONTENTS**

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	<b>Page</b>
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 13

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# **PARRY PEOPLE MOVERS LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007**

The directors present their report and financial statements for the year ended 31 December 2007

### **Principal activities**

The principal activity of the company continued to be that of the development and marketing of flywheel/hybrid powered railcars and the promotion of ultra-light rail systems

### **Directors**

The following directors have held office since 1 January 2007

J P M Parry MBE  
D R Oldfield  
J S Hilton  
R S Glendenning  
G J Lusher  
C B Holden OBE  
R L Sansom  
B C Mackie

### **Directors' interests**

The directors' interests in the shares of the company were as stated below

	<b>Ordinary Shares of £1 each</b>	
	<b>31 December 2007</b>	<b>1 January 2007</b>
J P M Parry MBE	217,000	211,012
D R Oldfield	10,716	8,716
J S Hilton	200	200
R S Glendenning	55,097	22,828
G J Lusher	8,287	6,632
C B Holden OBE	575	575
R L Sansom	56,766	24,413
B C Mackie	6,488	6,238

### **Substantial Shareholdings**

At the date of signing these accounts the company had received notification of the following interests in more than 3% of the Company's share capital held by shareholders other than directors

The executors of H F Marriot (Dec'd) 59,186 shares

### **Auditors**

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Neal and Co Business Services Ltd be reappointed as auditors of the company will be put to the Annual General Meeting

# **PARRY PEOPLE MOVERS LIMITED**

## **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007**

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### **Directors' responsibilities**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

### **Statement of disclosure to auditor**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



J P M Parry MBE

**Director**

28 August 2008

# **PARRY PEOPLE MOVERS LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PARRY PEOPLE MOVERS LIMITED**

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We have audited the financial statements of Parry People Movers Limited for the year ended 31 December 2007 set out on pages 5 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

# **PARRY PEOPLE MOVERS LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF PARRY PEOPLE MOVERS LIMITED**

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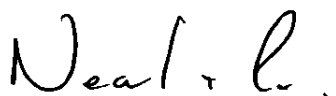
### **Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended,
- the information given in the directors' report is consistent with the financial statements
- have been properly prepared in accordance with the Companies Act 1985

### **Emphasis of matter-Going Concern**

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the ongoing support of shareholders, stockholders and suppliers. In view of the significance of this we consider that it should be drawn to your attention but our opinion is not qualified in this respect



**Neal and Co Business Services Ltd**

28 August 2008

**Registered Auditor**

Shakespeare Buildings  
26 Cradley Road  
Cradley Heath  
West Midlands  
B64 6AG

# PARRY PEOPLE MOVERS LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 £	2006 £
Turnover		268,000	18,014
Cost of sales		(218,875)	-
<b>Gross profit</b>		49,125	18,014
Administrative expenses		(177,691)	(140,853)
Other operating income		118,173	-
<b>Operating loss</b>	<b>2</b>	(10,393)	(122,839)
Other interest receivable and similar income	<b>3</b>	1,495	4
Interest payable and similar charges	<b>4</b>	(35,835)	(12,166)
<b>Loss on ordinary activities before taxation</b>		(44,733)	(135,001)
Tax on loss on ordinary activities	<b>5</b>	-	-
<b>Loss on ordinary activities after taxation</b>		(44,733)	(135,001)
Extraordinary items	<b>6</b>	19,500	-
<b>Loss for the year</b>	<b>13</b>	(25,233)	(135,001)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account



# PARRY PEOPLE MOVERS LIMITED


## BALANCE SHEET

AS AT 31 DECEMBER 2007

	Notes	2007 £	£	2006 £	£
<b>Fixed assets</b>					
Intangible assets	7	372,423		337,750	
Tangible assets	8	205,498		60,252	
			577,921		398,002
<b>Current assets</b>					
Debtors	9	35,474		7,368	
Cash at bank and in hand		84,652		43	
			120,126		7,411
<b>Creditors amounts falling due within one year</b>	10	(239,069)		(142,715)	
<b>Net current liabilities</b>			(118,943)		(135,304)
<b>Total assets less current liabilities</b>			458,978		262,698
<b>Creditors amounts falling due after more than one year</b>	11	(453,545)		(382,100)	
			5,433		(119,402)
<b>Capital and reserves</b>					
Called up share capital	12	1,012,231		853,025	
Share premium account	13	965,336		974,474	
Profit and loss account	13	(1,972,134)		(1,946,901)	
<b>Shareholders' funds</b>	14		5,433		(119,402)

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

Approved by the Board and authorised for issue on 28 August 2008

  
 J P M Parry MBE  
 Director

# **PARRY PEOPLE MOVERS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention

The order of two railcars for the Stourbridge branch line is hopefully the breakthrough for environmental rail transport. However the company is still operating in the development stage of its activities and is still to move into profitable trading. As such the company is still dependent upon its shareholders, stockholders and suppliers to provide the resources with which to carry out its development activities. After reviewing the year end position the company has raised funds by the issue of new shares and loan stock in the company together with other external funds. The company considers that with the continuing support of shareholders, stockholders and suppliers it can continue to operate within its agreed facilities.

The directors therefore feel it appropriate that the accounts are prepared on the going concern basis.

#### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### **1.3 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### **1.4 Patents**

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

#### **1.5 Research and development**

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred, treated as an intangible asset and amortised over the period during which the company is expected to benefit. The Directors have decided to amortise deferred development expenditure on a straight line basis against the sale proceeds of the first twelve railcars.

#### **1.6 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	25% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance

#### **1.7 Leasing**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

# PARRY PEOPLE MOVERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

### 1 Accounting policies (continued)

#### 1.8 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

2 Operating loss	2007 £	2006 £
Operating loss is stated after charging		
Amortisation of intangible assets	21,832	-
Depreciation of tangible assets	40,502	31,319
Auditors' remuneration	2,000	2,000

3 Investment income	2007 £	2006 £
Bank interest	1,495	4

4 Interest payable	2007 £	2006 £
Included in interest payable is the following amount		
Lease finance charges	17,956	-

5 Taxation	2007	2006
Current tax charge	-	-
<b>Factors affecting the tax charge for the year</b>		
Loss on ordinary activities before taxation	(44,733)	(135,001)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 0.00% (2006 - 0.00%)	-	-
<b>Current tax charge</b>	-	-

The company has estimated losses of £ 2,356,213 (2006 - £ 2,311,480) available for carry forward against future trading profits.

# PARRY PEOPLE MOVERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

6	Extraordinary items	2007 £	2006 £
	Discount on redemption of Unsecured Loan stock re Railcar 12	19,500	-

### 7 Intangible fixed assets

	Deferred Development Expenditure £
<b>Cost</b>	
At 1 January 2007	337,750
Additions	56,505
At 31 December 2007	394,255
<b>Amortisation</b>	
At 1 January 2007	-
Charge for the year	21,832
At 31 December 2007	21,832
<b>Net book value</b>	
At 31 December 2007	372,423
At 31 December 2006	337,750

# PARRY PEOPLE MOVERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

### 8 Tangible fixed assets

	£
<b>Cost</b>	
At 1 January 2007	433,187
Additions	217,575
Disposals	(176,827)
	<hr/>
At 31 December 2007	473,935
	<hr/>
<b>Depreciation</b>	
At 1 January 2007	372,935
On disposals	(145,000)
Charge for the year	40,502
	<hr/>
At 31 December 2007	268,437
	<hr/>
<b>Net book value</b>	
At 31 December 2007	205,498
	<hr/>
At 31 December 2006	60,252
	<hr/>

Included above are assets held under finance leases or hire purchase contracts as follows

	<b>Plant and machinery</b>
	£
<b>Net book values</b>	
At 31 December 2007	112,500
	<hr/>
<b>Depreciation charge for the year</b>	
At 31 December 2007	37,500
	<hr/>

During the year Railcar 12 included in these accounts at a brought forward written down value of £31,827 has been subject to a sale and leaseback arrangement for a value of £150,000

# PARRY PEOPLE MOVERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

9 Debtors	2007 £	2006 £
Trade debtors	16,959	-
Other debtors	18,515	7,368
	<u>35,474</u>	<u>7,368</u>

10 Creditors amounts falling due within one year	2007 £	2006 £
Bank loans and overdrafts	435	17,879
Net obligations under finance leases	53,856	-
Trade creditors	17,364	63,459
Taxation and social security	18,648	1,127
Payments received on account	34,000	-
Other creditors	114,766	60,250
	<u>239,069</u>	<u>142,715</u>

Any amounts owing to HSBC Bank are secured by a fixed and floating charge over all assets of the company

Other creditors include amounts due to JPM Parry and Associates Ltd of £93,345 (2006 £30,500)

# PARRY PEOPLE MOVERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

11 Creditors amounts falling due after more than one year	2007 £	2006 £
Net obligations under finance leases	79,945	-
Unsecured, convertible 6% Loan Stock 2005-2007	55,000	55,000
Unsecured, convertible 6 5% Loan Stock 2007-2009	25,000	25,000
Unsecured, convertible 6 5% Loan Stock 2008-2010	191,250	160,750
Unsecured 7% Debenture	5,000	5,000
Unsecured Loan stock	97,350	135,350
	<u>453,545</u>	<u>382,100</u>
<b>Net obligations under finance leases</b>		
Repayable between one and five years	133,401	-
	<u>133,401</u>	<u>-</u>
Included in liabilities falling due within one year	(53,856)	-
	<u>79,545</u>	<u>-</u>

Unsecured Loan Stock is repayable to the Railcar 11 Syndicate from the proceeds of sale or revenue arising from the deployment of Railcar 11 when that occurs

12 Share capital	2007 £	2006 £
<b>Authorised</b>		
2,000,000 Ordinary Shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>
<b>Allotted, called up and fully paid</b>		
1,012,231 Ordinary Shares of £1 each	<u>1,012,231</u>	<u>853,025</u>

# PARRY PEOPLE MOVERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

### 13 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 January 2007	974,474	(1,946,901)
Loss for the year	-	(25,233)
Share premium - other movements	(9,138)	-
Balance at 31 December 2007	965,336	(1,972,134)

### 14 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Loss for the financial year	(25,233)	(135,001)
Proceeds from issue of shares	159,206	89,805
Cost of share issue written off to share premium account	(9,138)	-
Net addition to/(depletion in) shareholders' funds	124,835	(45,196)
Opening shareholders' funds	(119,402)	(74,206)
Closing shareholders' funds	5,433	(119,402)

### 15 Related party transactions

During the year the company has purchased goods and services from JPM Parry and Associates Limited totalling £272,125 (2006 £94,900). All transactions were on normal commercial terms. Throughout the year JPM Parry and Associates Limited owned 175,572 Ordinary Shares (Approx 17% of issued share capital) in Parry People Movers Limited. In addition JPM Parry and R S Glendenning are directors of both companies.