

Company Registration No. 2652429 (England and Wales)

PARRY PEOPLE MOVERS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

SATURDAY



A1HWS0Z

A31

29/09/2012

#317

COMPANIES HOUSE

PARRY PEOPLE MOVERS LIMITED

COMPANY INFORMATION

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

PARRY PEOPLE MOVERS LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 12

PARRY PEOPLE MOVERS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and financial statements for the year ended 31 December 2011

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 2011

J P M Parry MBE
G J Lusher
R S Glendenning
J S Hilton
C B Holden OBE
L Waltho
W McIntosh

Directors' interests

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

	Ordinary Shares of £1 each	
	31 December 2011	1 January 2011
J P M Parry MBE	47,828	41,428
G J Lusher	9,287	8,287
R S Glendenning	66,097	65,097
J S Hilton	200	200
C B Holden OBE	575	575
L Waltho	-	-
W McIntosh	-	-

Auditors

The auditors, Neal and Co Business Services Ltd, are deemed to be reappointed under section 487(2) of the Companies Act 2006

PARRY PEOPLE MOVERS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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 auditors

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.

Substantial Shareholding

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:

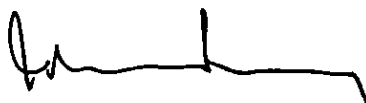
JPM Parry & Associates Ltd 175,572 shares

CAF Nominees Ltd (A/c 70161863) 57,186 shares

R L Sansom 56,766 shares

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board



J P M Parry MBE

Director

27/09/12

PARRY PEOPLE MOVERS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PARRY PEOPLE MOVERS LIMITED

We have audited the financial statements of Parry People Movers Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006,

Emphasis of matter

In forming our opinion, we have considered the adequacy of the disclosures made in Note 2 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.

Opinion on other matter prescribed by the Companies Act 2006

the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

PARRY PEOPLE MOVERS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF PARRY PEOPLE MOVERS LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime



I C Marsh (Senior Statutory Auditor)
for and on behalf of Neal and Co Business Services Ltd

27/9/12.

Chartered Certified Accountants
Statutory 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 2011

	Notes	2011 £	2010 £
Turnover		29,252	98,051
Administrative expenses		(64,838)	(191,856)
Operating loss	3	(35,586)	(93,805)
Interest payable and similar charges	4	(44,765)	(67,934)
Loss on ordinary activities before taxation		(80,351)	(161,739)
Tax on loss on ordinary activities	5	-	-
Loss for the year	12	(80,351)	(161,739)

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

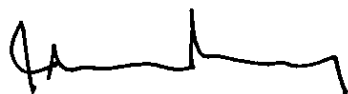
BALANCE SHEET

AS AT 31 DECEMBER 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Intangible assets	6	1,700,000		408,273	
Tangible assets	7	125,546		139,511	
		<u>1,825,546</u>		<u>547,784</u>	
Current assets					
Debtors	8	13,205		6,700	
Cash at bank and in hand		3		3	
		<u>13,208</u>		<u>6,703</u>	
Creditors: amounts falling due within one year	9	<u>(495,254)</u>		<u>(540,613)</u>	
Net current liabilities		<u>(482,046)</u>		<u>(533,910)</u>	
Total assets less current liabilities		1,343,500		13,874	
Creditors: amounts falling due after more than one year	10	<u>(686,240)</u>		<u>(487,973)</u>	
		<u>657,260</u>		<u>(474,099)</u>	
Capital and reserves					
Called up share capital	11	1,232,379		1,110,741	
Share premium account	12	925,537		945,537	
Revaluation reserve	12	1,110,072		-	
Profit and loss account	12	<u>(2,610,728)</u>		<u>(2,530,377)</u>	
Shareholders' funds	13	<u>657,260</u>		<u>(474,099)</u>	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006

Approved by the Board and authorised for issue on 27/09/12



J P M Parry MBE
Director

Company Registration No 2652429

PARRY PEOPLE MOVERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

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 accumulated value of the company's R&D expenditure has been included at a revalued amount following a professional IP valuation by Collier IP.

1.6 Tangible fixed assets and depreciation

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

Land and buildings Leasehold	Nil depreciation
Plant and machinery	25% reducing balance
Fixtures, fittings & equipment	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

FOR THE YEAR ENDED 31 DECEMBER 2011

2 Going Concern

The order of two railcars for the Stourbridge branch line is hopefully the breakthrough for environmental rail transport. The company has continued its development activities throughout 2011 but is yet 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. 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.

3	Operating loss	2011 £	2010 £
	Operating loss is stated after charging		
	Write back of amortisation on intangible assets	(81,655)	-
	Depreciation of tangible assets	13,965	18,622
	Auditors' remuneration (including expenses and benefits in kind)	2,438	2,000
		<u> </u>	<u> </u>

4	Interest payable	2011 £	2010 £
	Included in interest payable are the following items		
	Bank interest	2,664	2,872
	Loan stock interest and other interest	42,101	65,062
		<u> </u>	<u> </u>
		44,765	67,934
		<u> </u>	<u> </u>

5 Taxation

The company has estimated losses of £ 2,881,042 (2010 - £ 2,811,415) available for carry forward against future trading profits.

PARRY PEOPLE MOVERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

6 Intangible fixed assets

	Other intangible assets £
Cost	
At 1 January 2011	489,928
Additions at cost	100,000
Revaluation in year	1,110,072
	<hr/>
At 31 December 2011	1,700,000
	<hr/>
Amortisation	
At 1 January 2011	81,655
Amortisation written off	(81,655)
	<hr/>
	<hr/>
Net book value	
At 31 December 2011	1,700,000
	<hr/>
At 31 December 2010	408,273
	<hr/>

During the year the company has purchased the registered patents and the remaining intellectual property (IP) concerning lightweight rail passenger vehicles from JPM Parry & Associates Ltd, an associated company. The value of the transaction was agreed by both Boards at £100,000.

Further to this purchase the company engaged an independent professional IP valuation firm, Collier IP Management, to assess the total value of the IP held by Parry People Movers Ltd. The valuation was carried out using accepted valuation methods and was based on sales forecasts and potential future revenue streams from exploiting the technology. The report concluded that the total value of the IP held by the company is in the region of £1,400,000- £2,000,000. The report and valuation has been endorsed by leading railway industry figures. The Board have therefore decided to restate the value of the IP held on the Balance Sheet at the mid-point of £1,700,000.

The transactions and valuation will be ratified at the forthcoming AGM.

PARRY PEOPLE MOVERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

7 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost or valuation			
At 1 January 2011 & at 31 December 2011	83,650	395,898	479,548
Depreciation			
At 1 January 2011	-	340,037	340,037
Charge for the year	-	13,965	13,965
At 31 December 2011	-	354,002	354,002
Net book value			
At 31 December 2011	83,650	41,896	125,546
At 31 December 2010	83,650	55,861	139,511

8 Debtors

	2011 £	2010 £
Trade debtors	6,000	6,700
Other debtors	7,205	-
	<u>13,205</u>	<u>6,700</u>

PARRY PEOPLE MOVERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

9 Creditors: amounts falling due within one year	2011	2010
	£	£
Bank loans and overdrafts	51,396	61,504
Trade creditors	20,173	26,659
Amounts received on account	22,800	-
Taxation and social security	18,325	18,941
Director's Loan accounts	15,600	14,600
Inter-Company loan account	144,437	136,433
Accruals	25,391	13,391
Unsecured, PPM50 Loan Stock 2010-2013	68,382	47,335
Unsecured, 6 5% convertible Loan Stock 2007-2009	7,000	24,000
Unsecured, 6 5% convertible Loan Stock 2008-2010	68,250	179,750
Lifeline loan	40,500	-
Other loans	13,000	18,000
	<u>495,254</u>	<u>540,613</u>

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

Inter-Company Loan creditor represents amounts payable to JPM Parry and Associates Ltd

The company has also given a Composite Guarantee covering any amounts owed to HSBC by JPM Parry & Associates Ltd, currently £155,000

10 Creditors. amounts falling due after more than one year	2011	2010
	£	£
Unsecured, convertible 7 5% Loan Stock 2011-2013	288,550	288,550
Unsecured, convertible 7% Loan Stock 2014	164,680	16,000
Unsecured, 7% Debenture	5,000	5,000
Unsecured, PPM50 Loan Stock 2010-2013	42,060	81,073
Unsecured, PPM50 Loan Stock 2011-2014	52,500	-
Tram 11 syndicate	83,850	83,850
Wensleydale syndicate	13,500	13,500
Lifeline loans	36,100	-
	<u>686,240</u>	<u>487,973</u>

Tram 11 syndicate is repayable from the proceeds of sale or revenue arising from the deployment of Railcar 11 when that occurs

PARRY PEOPLE MOVERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

11 Share capital	2011 £	2010 £
Allotted, called up and fully paid		
1,232,379 Ordinary Shares of £1 each	1,232,379	1,110,741

12 Statement of movements on reserves

	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2011	945,537	-	(2,530,377)
Loss for the year	-	-	(80,351)
Share premium - other movements	(20,000)	-	-
Revaluation during the year	-	1,110,072	-
Balance at 31 December 2011	925,537	1,110,072	(2,610,728)

13 Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Loss for the financial year	(80,351)	(161,739)
Other recognised gains and losses	1,110,072	-
Proceeds from issue of shares	121,638	13,936
Cost of share issue written off to share premium account	(20,000)	-
Net addition to/(depletion in) shareholders' funds	1,131,359	(147,803)
Opening shareholders' funds	(474,099)	(326,296)
Closing shareholders' funds	657,260	(474,099)

14 Related party relationships and transactions

During the year the company has purchased goods and services from JPM Parry and Associates Limited totalling £71,233 (2010 £98,604) in addition to the transaction detailed in Note 6. All transactions were on normal commercial terms. Throughout the year JPM Parry and Associates Limited owned 175,572 Ordinary Shares (Approx 14% of issued share capital) in Parry People Movers Limited. Both Mr J P M Parry MBE and Mr R S Glendenning are directors of JPM Parry and Associates Ltd.

In addition, the company has given a Composite Guarantee covering any amounts owing to HSBC bank by JPM Parry & Associates Ltd, currently £155,000.