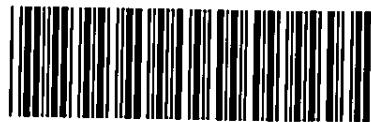


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**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2009
FOR
SRS RAIL SYSTEM (HOLDINGS) LIMITED**

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COMPANIES HOUSE

SRS RAIL SYSTEM (HOLDINGS) LIMITED

COMPANY INFORMATION
for the Year Ended 30 April 2009

DIRECTORS:

Major N J Whatley
Mr J B Awford
Mr R M Whatley
Mr S J Whatley

SECRETARY:

Ms P M D O Myers

REGISTERED OFFICE:

Unit 3 Riverside Way
Gateway Business Park
Bolsover
Chesterfield
Derbyshire
S44 6GA

REGISTERED NUMBER:

3046824 (England and Wales)

AUDITORS:

Pesters
Chartered Certified Accountants
& Registered Auditor
2 Park Court
Pyrford Road
West Byfleet, Surrey
KT14 6SD

SRS RAIL SYSTEM (HOLDINGS) LIMITED

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for the Year Ended 30 April 2009

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SRS RAIL SYSTEM (HOLDINGS) LIMITED

**REPORT OF THE DIRECTORS
for the Year Ended 30 April 2009**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Pestors, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Major N J Whatley - Director

Date: 11 / 12 / 2009

SRS RAIL SYSTEM (HOLDINGS) LIMITED

REPORT OF THE DIRECTORS for the Year Ended 30 April 2009

The directors present their report with the financial statements of the company for the year ended 30 April 2009.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a holding company.

REVIEW OF BUSINESS

The company did not trade during the accounting period as reflected in the attached financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 30 April 2009.

FUTURE DEVELOPMENTS

The holding company is unlikely to commence trading for the foreseeable future, however, the subsidiary companies are expected to make substantial profits in future accounting periods.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2008 to the date of this report.

Major N J Whatley
Mr J B Awford
Mr R M Whatley
Mr S J Whatley

PRINCIPAL RISKS AND UNCERTAINTIES

Whilst the company did not trade during the financial period, its' principal risk arises from the failure of one of its' subsidiaries. The group was profitable during the financial period and profits are expected to continue to improve and the group's financial position to strengthen.

The financial position of the holding company at the year end is shown in the attached financial statements.

POTENTIAL IMPACT OF THE EURO

The directors have considered the potential impact of the Euro. Risks associated with its' introduction would be the conversion of current systems software to handle any change in currency. However, the company uses industry standard software systems and it is understood that the software authors have already addressed the potential impact of any currency changes. No formal assessment has been made of the potential problems.

On the announcement of any formal plans to join the Euro, the Directors will undertake a formal review of systems and operations and implement plans for any proposed currency changeover. The costs associated with the impact of the Euro have not been formally assessed but are likely to be minimal.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF SRS RAIL SYSTEM (HOLDINGS) LIMITED

We have audited the financial statements of SRS Rail System (Holdings) Limited for the year ended 30 April 2009 on pages five to eleven. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 30 April 2009 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 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.



A G Orchard (Senior Statutory Auditor)
for and on behalf of Pestors
Chartered Certified Accountants
& Registered Auditor
2 Park Court
Pyrford Road
West Byfleet, Surrey
KT14 6SD

Date: 15/1/10

SRS RAIL SYSTEM (HOLDINGS) LIMITED

PROFIT AND LOSS ACCOUNT
for the Year Ended 30 April 2009

	Notes	30.4.09 £	30.4.08 £
TURNOVER		-	-
Administrative expenses		<u>4,176</u>	<u>8,775</u>
OPERATING LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(4,176)	(8,775)
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(4,176)</u>	<u>(8,775)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current year or previous year.

The notes form part of these financial statements

SRS RAIL SYSTEM (HOLDINGS) LIMITED

BALANCE SHEET 30 April 2009

	Notes	30.4.09 £	£	30.4.08 £	£
FIXED ASSETS					
Investments	5		81,002		81,002
CURRENT ASSETS					
Debtors	6	23,620		23,620	
Cash at bank		1,027		1,103	
		<u>24,647</u>		<u>24,723</u>	
CREDITORS					
Amounts falling due within one year	7	16,992		12,892	
NET CURRENT ASSETS			<u>7,655</u>		<u>11,831</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>88,657</u>		<u>92,833</u>
CAPITAL AND RESERVES					
Called up share capital	8		90,000		90,000
Share premium	9		6,333		6,333
Capital redemption reserve	9		10,000		10,000
Profit and loss account	9		(17,676)		(13,500)
SHAREHOLDERS' FUNDS	12		<u>88,657</u>		<u>92,833</u>

The financial statements were approved by the Board of Directors on 11/12/09 and were signed on its behalf by:



Mr R M Whatley - Director

The notes form part of these financial statements

SRS RAIL SYSTEM (HOLDINGS) LIMITED**CASH FLOW STATEMENT**
for the Year Ended 30 April 2009

	Notes	30.4.09 £	30.4.08 £
Net cash outflow from operating activities	1	(76)	(75)
Decrease in cash in the period		<u>(76)</u>	<u>(75)</u>
Reconciliation of net cash flow to movement in net funds	2		
Decrease in cash in the period		<u>(76)</u>	<u>(75)</u>
Change in net funds resulting from cash flows		<u>(76)</u>	<u>(75)</u>
Movement in net funds in the period		<u>(76)</u>	<u>(75)</u>
Net funds at 1 May		<u>1,103</u>	<u>1,178</u>
Net funds at 30 April		<u><u>1,027</u></u>	<u><u>1,103</u></u>

The notes form part of these financial statements

SRS RAIL SYSTEM (HOLDINGS) LIMITED

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 30 April 2009

1. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	30.4.09	30.4.08
	£	£
Operating loss	(4,176)	(8,775)
Increase in creditors	4,100	8,700
	<u></u>	<u></u>
Net cash outflow from operating activities	(76)	(75)
	<u></u>	<u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.5.08	Cash flow	At
	£	£	30.4.09
			£
Net cash:			
Cash at bank	1,103	(76)	1,027
	<u></u>	<u></u>	<u></u>
	1,103	(76)	1,027
	<u></u>	<u></u>	<u></u>
Total	1,103	(76)	1,027
	<u></u>	<u></u>	<u></u>

The notes form part of these financial statements

SRS RAIL SYSTEM (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 April 2009

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Preparation of Group Accounts

The group of companies qualifies as a medium group and exemption has been taken from preparing group accounts. The accounts therefore present information about the company as an individual undertaking only.

2. STAFF COSTS

There were no staff costs for the year ended 30 April 2009 nor for the year ended 30 April 2008.

3. OPERATING LOSS

The operating loss is stated after charging:

	30.4.09	30.4.08
	£	£
Auditors' remuneration	<u>4,100</u>	<u>8,200</u>
Directors' remuneration	<u>-</u>	<u>-</u>

4. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 30 April 2009 nor for the year ended 30 April 2008.

5. FIXED ASSET INVESTMENTS

	Unlisted Investments £
COST	
At 1 May 2008 and 30 April 2009	<u>81,002</u>
NET BOOK VALUE	
At 30 April 2009	<u>81,002</u>
At 30 April 2008	<u>81,002</u>

The company's investments at the balance sheet date in the share capital of companies include the following:

Strail (UK) Limited

Nature of business: Supply of railway equipment & services

Class of shares:	% holding
Ordinary	100.00

	30.4.09	30.4.08
	£	£
Aggregate capital and reserves	<u>948,613</u>	<u>835,457</u>
Profit for the year	<u>143,549</u>	<u>47,831</u>

SRS RAIL SYSTEM (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 30 April 2009

5. FIXED ASSET INVESTMENTS - continued

SRS Rail System Limited

Nature of business: Providing specialist rail services

Class of shares:	% holding		
Ordinary	100.00	30.4.09 £	30.4.08 £
Aggregate capital and reserves		2,518,471	1,750,269
Profit for the year		1,037,892	1,858,321

Hydro-Brade Marketing Limited

Nature of business: Providing Specialist Services

Class of shares:	% holding		
Ordinary	100.00	30.4.09 £	30.4.08 £
Aggregate capital and reserves		(41)	(41)

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.4.09 £	30.4.08 £
Amounts Owed By Group Undertakings	23,620	23,620
	23,620	23,620

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.4.09 £	30.4.08 £
Due To Related Company	16,992	12,892

8. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.4.09 £	30.4.08 £
90,000	Ordinary	£1	90,000	90,000

9. RESERVES

	Profit and loss account £	Share premium £	Capital redemption reserve £	Totals £
At 1 May 2008	(13,500)	6,333	10,000	2,833
Deficit for the year	(4,176)			(4,176)
At 30 April 2009	(17,676)	6,333	10,000	(1,343)

SRS RAIL SYSTEM (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 30 April 2009

10. RELATED PARTY DISCLOSURES

At 30 April 2009 the amount due from the subsidiary company, Strail (UK) Limited was £23,620 (2008 - £23,620). The sum of £16,992 (2008 - £12,892) was due to SRS Rail System Limited.

11. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr N.J.Whatley by virtue of his holding 52.22% (2007 - 52.22%) of the issued share capital.

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30.4.09	30.4.08
	£	£
Loss for the financial year	(4,176)	(8,775)
Share Capital Issued		
Share Premium		
Net reduction of shareholders' funds	(4,176)	(8,775)
Opening shareholders' funds	92,833	101,608
Closing shareholders' funds	88,657	92,833

SRS RAIL SYSTEM (HOLDINGS) LIMITED

PROFIT AND LOSS ACCOUNT
for the Year Ended 30 April 2009

	30.4.09		30.4.08	
	£	£	£	£
Income		-		-
Expenditure				
Sundry expenses	(1)		1	
Late Filing Penalty	-		500	
Auditors' remuneration	<u>4,100</u>		<u>8,200</u>	
		<u>4,099</u>		<u>8,701</u>
		(4,099)		(8,701)
Finance costs				
Bank charges		<u>77</u>		<u>74</u>
NET LOSS		<u>(4,176)</u>		<u>(8,775)</u>

This page does not form part of the statutory financial statements